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LED UKRAINE
LOCAL ECONOMIC DEVELOPMENT

QUARTERLY PROGRESS REPORT

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ACRONYMS, ABBREVIATIONS AND DEFINITIONS

Acronyms and Abbreviations

AUC – Association of Ukrainian Cities
BAS – Business Attitude Survey
CAD – Computer-aided Design
CEE – Central and Eastern Europe
CTO – Cognizant Technical Officer
CURE – Center for Ukrainian Reform Education
DIU – Donabas Industrial Union
EC – Expert Committee
FDI – Foreign Direct Investment
GDA – Global Development Alliance
GIS – Geographic Information System
GoU – Government of Ukraine
ha – hectare(s)
IF – Innovation Fund
IPZUS – Ukrainian Legal Aid Institute for Rural Citizens
IMC – Implementation Management Committee
LACs – Legal Aid Centers
LED – Local Economic Development
LGSO – Local Government Support Organization
M&E – Monitoring and Evaluation
MOED – Municipal Office of Economic Development
MOU – Memorandum of Understanding
MSUE – Michigan State University Extension
NGO – Non-governmental Organization
SMEs – Small and Medium Enterprises
SWOT – Strengths, Weaknesses, Opportunities, Threats
TIBA – Trade, Investment, and Business Acceleration Project (funded by USAID)
UAH – the currency code for the Ukraine Hryvnia
USD – the currency code for the U.S. Dollar

Definitions

City Rada – City Council
Verkhovna Rada – National Parliament
InvestUkraine – Ukrainian Agency for Foreign Investment Promotion
Oblast – Administrative territorial division of Ukraine; 24 total
Raion – Small territorial unit of Ukraine; 490 total

QUARTERLY PROGRESS REPORT

A. Project Purpose and Approach

Purpose. Economic successes take place daily at the local level and the goal of the Local Economic Development (LED) Project is to help Ukrainian cities strategize and organize their economic potential to attract investment, promote business development, and produce more jobs in a democratic manner and on an on-going basis.

Approach. Local economic development is a lasting process of strategic partnership between business, local government, and non-governmental actors who help make their cities economically robust today, tomorrow and in years to come. Through a transparent, focused, and organized process the LED project works hand-in-hand with these stakeholders in developing and implementing realistic strategic plans for local economic development. This involves:

- intensive planning work to analyze cities' strengths, weaknesses, and economic assets to set long-term objectives and create strategic economic development plans approved by city councils;
- institutional strengthening for city administrative units charged with implementing the tasks articulated in their strategic plans;
- financial assistance through an innovation fund to facilitate the cities' implementation of at least one high priority task under their strategic plans;
- legal advice on aspects of strategic plan implementation and general support for improvements to the legal and regulatory environment for LED;
- creation of a cadre of Ukrainian consultants who can continue to support implementation activities in LED cities and help other cities with strategic planning;
- and extensive training in promoting investment (primarily foreign).

Expected Results. When LED is finished, cities with which it worked and cities that studied its work through the project's communication campaigns and toolkits will:

- know their competitive business assets;
- be developing those assets in a concerted, intelligent, and continuous effort;
- be ready to offer those assets to investors, both foreign and domestic; and
- be thinking about constantly adding value to the business climate of their cities to ensure greater and greater economic dynamism and more jobs through ever-increasing investment.

The Project currently works directly with 40 "target" cities and touches tens of others through FDI training, online educational materials, and economic development strategic planning services provided by LED's local consultants. By the end of 2008, LED will have directly assisted at least 40 target cities and more than thirty "non-target" cities. A map of Ukraine with all partner cities that are either in the process of economic development strategic planning or have already completed it is included in Annex A.

B. Significant Events and Achievements

- Economic Development Strategic Plan adopted into Law by the Ternopil City Council, bringing the total number of target cities with adopted strategic plans to 34.
- LED Strategic Plans adopted in four (4) non-target cities including Obukhiv, Irpin, Trostyanets, and Shepetivka, bringing the total number of non-target cities with adopted Strategic Plans to 12.
- Berezhany became the first city to provide 50% co-financing for the strategic planning effort, bolstering Project sustainability.
- Highly-rated Local Economic Development Toolkit Conference conducted for more than 50 representatives from nearly 40 cities featuring new tools presented by American and Ukrainian scholars from the Global Urban Studies Program of Michigan State University's Extension Service and the Kyiv Economic Institute.
- Seminar on Status of Strategic Plan Implementation for more than 70 representatives from 38 partner cities conducted in cooperation with the Communities Economic Development Section of the Association of Ukrainian Cities.
- Active implementation of LED strategic plan projects focused on investment attraction, improvement of housing and communal services, and SME, labor force, tourism, and infrastructure development underway.
- Equipment for the efficient operation of MOED offices to implement Strategic Plan priorities in Ivano-Frankivsk and Yevpatoria provided through the LED Innovation Fund.
- Legal commentary provided on more than 10 draft laws impacting local economic development provided to legislators and LED partner cities.
- Practical legal advice on various aspects of local economic development provided to 7 partner cities.
- Highly-rated study tour to the Czech Republic held within the context of the 4th cycle of the Training Program for FDI Professionals along with two workshops: "Industrial Zones – Preparing and Customizing the Product" and "Marketing and Selling".
- Eight (8) news stories on LED activities and economic development progress in LED partner cities published.
- Four issues of *The LED Monitor* e-newsletter published and sent to 380 LED professionals throughout the country.

C. Task Activities

Contractually, LED's activities are divided into seven distinct yet interdependent activity areas or tasks: 1) Participating City Selection; 2) Building Ukrainian Capacity; 3) Strategic Plan Development; 4) Implementation of LED Strategic Plans; 5) Legal and Regulatory Framework; 6) Regional Economic Development Support; and 7) Information Dissemination. A brief summary of key components is presented for each task.

Task 1: Participating City Selection Process - Develop a strategy for selection of participating cities in a competitive and transparent manner and obtain strategy approval from USAID. Select no less than 40 target cities for project participation. Select the final 13 cities from the southern and eastern regions of Ukraine. Develop "graduation" criteria so that cities may be graduated from the program and new cities admitted.

Target Cities.

LED's target city selection process is complete. Between March 2005 to December 2007, 41 cities have been chosen as target recipients of LED strategic planning technical assistance. The criteria for city selection have varied slightly with the evolution of Project approaches and USAID priorities and have included the following: city size, geographic location, local political will and commitment, economic development potential as measured by the ranking in the LED city investment and competitiveness study, membership in the Association of Ukrainian Cities and AUC concurrence of candidate cities, and, most importantly, USAID approval of selected cities. City selection was carried out in waves or stages. The table below lists the cities that have been approved as "LED target cities".

| Wave / City Selection Timing | # | City Name / Oblast | Geographic Category (Western, Central, Eastern, Southern) |
|------------------------------|--|---|--|
| Wave 1 Q 1, 2005 | 1 2 3 4 5 6 | Kalush, Ivano-Frankivsk Oblast Ivano-Frankivsk, Ivano-Frankivsk Oblast Chortkiv, Ternopil Oblast Kaniv, Cherkasy Oblast Pryluky, Chernihiv Oblast Pavlohrad, Dnipropetrovsk Oblast | Western - 50% Central – 16.67% Eastern / Southern – 33.33% |
| Wave 2 Q 3, 2005 | 7 8 9 10 11 12 13 14 15 16 | Kovel, Volyn Oblast Drohobych, Lviv Oblast Kamyanets-Podilsky Ternopil, Ternopil Oblast Brovary, Kyiv Oblast Nizhyn, Chernihiv Oblast Kupyansk, Kharkiv Oblast Rovenky, Luhansk Oblast Dzhankoy, Independent Republic of Crimea Yevpatoria, Independent Republic of Crimea | Western – 40% Central – 10% Eastern / Southern – 50% |
| Wave 3 Q 2, 2006 | 17 18 19 20 21 22 23 24 25 26 27 | Lutsk, Volyn Oblast Rivne, Rivne Oblast Vinnytsya, Vinnytsya Oblast Chernivtsi, Chernivtsi Oblast Chernihiv, Chernihiv Oblast Kremenchuk, Poltava Oblast Yuzhne, Odesa Oblast Mykolaiv, Mykolaiv Oblast Melitopol, Zaporizhia Oblast Berdyansk, Zaporizhia Oblast Luhansk, Luhansk Oblast | Western – 27.27% Central – 9.09% Eastern - Southern – 63.64% |
| Wave 4 Q 1 & 2, 2007 | 28 29 30 31 32 33 34 | Sumy, Sumy Oblast Konotop, Sumy Oblast Nova-Kakhovka, Kherson Oblast Izyum, Kharkiv Oblast Pervomaysk, Mykolaiv Oblast Artemivsk, Donetsk Oblast Lozova, Kharkiv Oblast | Western – 0% Central – 0% Eastern / Southern – 100% |

| Wave / City Selection Timing | # | City Name / Oblast | Geographic Category (Western, Central, Eastern, Southern) |
|------------------------------|----------------------------------|---|---|
| | 35 | Poltava, Poltaav Oblast | |
| Wave 5 Q 3 & 4, 2007 | 36 37 38 39 40 41 | Alchevsk, Luhansk Oblast Romny, Sumy Oblast Sevastopol, Independent Republic of Crimea Cherkas(s)y, Cherkasy Oblast Izmail, Odes(s)a Oblast, Krasnoperekopsk, Independent Republic of Crimea | Western – 0% Central – 16.67% Eastern / Southern – 83.33% |

Non-target Cities.

During the quarter, LED continued the selection of “non-target” cities, which are municipalities that did not qualify for full-blown “target” city strategic planning assistance from the Project’s in-house LED Advisors but are benefiting from the expert advice of LED-trained LGSO consultants (so-called LGSOs) in developing their strategic plans. While non-target cities do not require specific USAID approval, this arrangement is part of a USAID-supported strategy to maximize city “spread” and encourage sustainability by continuing to build the experience of its recently-created cadre of Ukrainian LED experts.

In addition to the six cities selected last quarter where work is to commence in April as part of the DTEK Global Development Alliance, five cities were recorded in the “non-target” list this quarter. On February 28, 2008, LED signed a Letter of Intent with a city of *Berezhany*, a small municipality in the western part of Ternopil Oblast with high significance for the the Project. The reason is that Berezhany has agreed to pay one-half of the costs of an LGSO facilitator in an economic development strategic planning effort. This is the first city that will be paying for the services of LED’s LGSO consultants, and is thus a ground breaker for Project sustainability. The city approached the Project after its mayor heard a speech by one of LED’s LGSOs, who is also the regional representative for AUC. That LGSO will in fact be working with the City on behalf of the Project. This example demonstrates how the AUC and LED’s LGSOs can collaborate to generate a market for economic development strategic planning consultancies. Strategic planning work in the city is expected to begin next quarter.

The second city to be categorized as non-target this quarter is *Armyansk*. LED received approval for Armyansk to either be counted as one target-city entity with its neighboring city of Krasnoperekopsk should a joint economic development strategy be appropriate or as a separate non-target city should LED Advisors and local officials determine that each city needs its own strategic plan. In the end, the Project determined that the latter option was more suitable to the local context and is now adding Armyansk to its list of “non-target” cities.

The third municipality added to the non-target city category is *Beryslav*, which last quarter became the first city to independently develop and adopt an LED Strategic Plan after observing the LED strategic planning process in a nearby “target” city of Nova-Kakhovka and receiving remote LGSO consultant support for its own strategic planning effort. By virtue of the minimal assistance provided during the strategic planning process, LED categorized Beryslav as a “touch” city in its previous quarterly report but, based on USAID agreement

regarding the experimental “touch” city strategy, the Project is now moving the city into the “non-target” category since the municipality fully completed the strategic planning process. The same recategorization from “touch” to “non-target” city has been made for the *Trotskyanets*, which adopted its Economic Development Strategic Plan on March 20, 2008.

The city of Pervomaysky in Kharkiv Oblast is being added to the list with a slight delay since strategic planning there city actually began after the Letter of Intent Signing Ceremony in December 2007. This fact was omitted from the previous quarterly report. LED’s assistance to the city will focus on designing strategic projects to diversify the city’s economic base away from the Chemical plant that currently dominates the local economy.

Task 2: Building Ukrainian Capacity – Provide appropriate assistance to: 1) develop ongoing capacity within the local government to utilize state-of-the-art management techniques and technologies collectively known as the LED Toolkit; and 2) develop a qualified and trained cadre of Local Government Support Organizations with at least 30 individual LGSO trainers to become the primary providers of technical assistance.

Sub-task A: Municipal LED Toolkit

To ensure the spread of LED knowledge and best practices throughout Ukraine, the Project has been developing an LED Toolkit for city officials. The Toolkit consists of two volumes. Volume I of the Toolkit is titled “Getting Started: Prepare and Plan” and focuses on the process of developing an economic development strategic plan. Volume II of the Toolkit “Implementing Your LED Strategy: Tools for Success” is a compilation of a number of practical guidelines and solutions for implementing local economic development projects across eight different topics. This volume currently contains 20 high-quality tools, 11 of which were a result of LED collaboration with the Global Urban Studies Program of Michigan State University’s Extension (MSUE) Service and the Economic Education and Research Consortium of the Kyiv Economic Institute. According to the arrangement, the partners agreed to cull and adapt existing U.S.-based LED solutions to the Ukrainian context and to bring authors of selected tools to Kyiv to address an audience of LED local professionals at a conference on Local Economic Development.

The Local Economic Development Toolkit Conference, co-hosted by the LED Project, MSUE and the Kyiv Economic Institute took place on March 3–4, 2008. More than 50 participants from nearly 40 Ukrainian cities, including local government officials, NGO representatives and scholars attended the two-day event. The conference featured six new tools presented by five American scholars including:

1. *Creating Special Places: Tourism-Based Development for Local Economic Development Outcomes* by Ronda Phillips, Professor, School of Community Resources and Development, Arizona State University
2. *Cultural and Heritage Tourism* by Raymond Rosenfeld, Professor, Eastern Michigan University
3. *First Impressions: A Tool for Community Assessment and Improvement*, Andrew Lewis, Professor, Center for Community and Economic Development, University of Wisconsin
4. *Formal Business Retention and Expansion Survey* by Gregory Davis, Professor, Department of Agricultural, Environmental, and Development Economics, Ohio State University

5. *Strategies for Economic Development Partnerships with Institutions of Higher Learning* by Scott Loveridge, Professor, Michigan State University
6. *Community Economic Development Preparedness Index (CEDPI)* by Andrew Lewis, Professor, Center for Community and Economic Development, University of Wisconsin

The agenda also included four case studies based on local economic development efforts in four LED partner cities of Chernivtsi, Lozova, Poltava, and Chernihiv and three presentations by Ukrainian professors focusing on brownfield investments and development of depressed regions. Each of the presentations was followed by group discussion on the applicability of the tool or example. The conference received an average participant rating of 4.67 on a scale of 5 for organization, 4.54 for content, 4.73 for lecturers, and 4.62 for professional relevance and usefulness. All participants who returned their surveys indicated that knowledge gained at the conference will help them better perform their current duties and develop professionally. Additional details about the conference can be found in the LED Monitor article titled “From the American Professors” in Annex C of this report.

Sub-task B: Building Capacity of Local Government Service Organizations (LGSOs)

The LED Project is developing a corps of local economic development consultants through 1) mentorship by the Project’s in-house LED Advisors on economic development strategic planning in large “target” cities, 2) independent practice in facilitating LED strategic planning in smaller “non-target” cities for seasoned trainees and 3) training in strategic plan implementation specialties (i.e. tourism development or investment attraction) by on-the-job learning. A full list of active LGSO consultants along with contact information for the organizations they represent is posted in the “Local Consultants” section of the LED website.

LGSO Economic Development Strategic Planning Activities in “Target” Cities.

During the quarter, the Project’s LGSO consultants worked alongside LED’s in-house specialists in cities selected for the Fifth Wave of LED activity. A full list of LGSO consultants and their mentors assigned to Wave 5 cities is provided below.

| # | Wave 5 Target City | LED Advisor (Lead LED Strategic Planning Specialist) | LGSO Consultant (Support LED Strategic Planning Specialist) | Strategic Plan Development Status (see Task 3 for details) |
|---|--------------------|---|--|---|
| 1 | Alchevsk | Anatoliy Solovyov | Natalia Boyko | Under Development |
| 2 | Romny | Ihor Parasyuk | Galina Vasylichenko | Adopted on December 21, 2007 |
| 3 | Sevastopol | Petro Koshukov | Volodymyr Proskurnin | Under Development |
| 4 | Cherkasy | Ihor Lepyoshkin | Iryna Kovra | Yet to be Initiated |
| 5 | Izmail | Ihor Parasyuk | Galina Vasylichenko | Under Development |
| 6 | Krasnoperekopsk | Ihor Lepyoshkin | Volodymyr Proskurnin | Under Development |

LGSO Economic Development Strategic Planning Activities in “Non-target” Cities.

During the quarter under review, LGSO consultants continued to build their economic development knowledge and experience by independently facilitating LED strategic planning sessions in 14 non-target cities. Four consultants saw strategic plans developed with their active involvement adopted as local law by city radas. The table below provides an up-to-date summary of all LGSO strategic planning activities and highlights the cities and consultants that celebrated adoption of LED strategic plans during the quarter.

| City Category | # | City/Oblast | LGSO Consultant | Strategic Plan Development Status (process summary under Task 3 below) |
|--------------------------------------|----|---------------------------------------|--|--|
| Non-target cities attached to Wave 4 | 1 | Kremenets, Ternopil Oblast | Ihor Hirchak | Adopted on December 17, 2007 |
| | 2 | Kolomyia, Ivano-Frankivsk Oblast | Halyna Vasylichenko | Adopted on October 4, 2007 |
| | 3 | Mogylyv-Podilskiy, Vinnytsia Oblast | Oleh Levchenko | Adopted on December 7, 2007 |
| | 4 | Koryukivka, Chernihiv Oblast | Valeriy Kokot | Adopted on September 18, 2007 |
| | 5 | Kakhovka, Kherson Oblast | Vasyl Kashevskyi | Adopted on September 27, 2007 |
| | 6 | Vyshneve, Kyiv Oblast | Viktorya Pogorelova | Adopted on Decembre 4, 2007 |
| | 7 | Obukhiv, Kyiv Oblast | Viktorya Pogorelova | Adopted February 28, 2008 |
| | 8 | Tsyurupinsk, Kherson Oblast | Volodymyr Proskurnin | Adopted on October 12, 2007 |
| | 9 | Irpın, Kyiv Oblast | Iryna Kovra | Adopted on March 14, 2008 |
| | 10 | Lysychansk, Luhansk Oblast | Volodymyr Pismak | Adopted on December 26, 2007 |
| | 11 | Yasinovata, Donetsk Oblast | Sergiy Tkachenko | Draft Plan Presented to City Council |
| | 12 | Trostanets, Sumy Oblast | Halyna Vasylichenko (remote consultantion) | Adopted on March 20, 2008 |
| | 13 | Rubizhne, Luhansk Oblast | Natalia Boyko | Adopted on September 5, 2007 |
| | 14 | Armyansk, Crimea | Volodymyr Proskurnin | 1 st and 2 nd Expert Committee Meeting Tasks Completed |
| Non-target cities attached to Wave 5 | 1 | Mena, Chernihiv Oblast | Valeriy Kokot | Draft Plan Presented to City Council |
| | 2 | Shepetivka, Khmelnytsky Oblast | Vasyl Kashevskyi | Adopted on March 20, 2008 |
| | 3 | Khmelnysky, Khmelnytsky Oblast | Oksana Fedorovych | 1 st , 2 nd , and 3 rd Expert Committee Meeting Tasks Completed |
| | 4 | Khmilnyk, Vynnytsya Oblast | Viktorya Pogorelova, Iryna Kovra | 1 st and 2 nd Expert Committee Meeting Tasks Completed |
| | 5 | Ukrainka, Kyiv Oblast | Viktorya Pogorelova, Iryna Kovra | 1 st and 2 nd Expert Committee Meeting Tasks Completed |
| | 6 | Pervomaysky, Kharkiv Oblast | Volodymyr Pismak | 1 st , 2 nd , and 3 rd Expert Committee Meeting Tasks Completed |
| | 7 | Chuhuiv, Kharkiv Oblast | Vasyl Kashevskyi | 1 st , 2 nd , and 3 rd Expert Committee Meeting Tasks Completed |
| | 8 | Slavuta, Khmelnytsk Oblast | Vasyl Kashevskyi | 1 st and 2 nd Expert Committee Meeting Tasks Completed |
| | 9 | Krolevets, Sumy Oblast | Valeriy Kokot | 1 st and 2 nd Expert Committee Meeting Tasks Completed |
| | 10 | Beryslav, Kherson Oblast | Volodymyr Proskurnin (remote consultation) | Adopted on October 29, 2007 |

LGSO Strategic Plan Implementation Activities.

During the reporting period, LED selected two LGSOs to work as consultants in specific areas of strategic plan implementation. Ruslan Fedorov, a graduate of LED's FDI Training Program who has recently become an independent consultant, will work with LED partner cities to prepare and market information on properties available for investment, conduct on-demand training in investment promotion for local economic development units charged with

implementation of strategic plans with significant investment components, and assist city officials in pursuing active investment prospects. Oksana Fedorovych, who is a seasoned LED strategic planning consultant, will be the Project's main local specialist on tourism development, a priority common to many strategic plans. Ms. Fedorovych has already provided extensive advice to the cities of Chernivtsi and Ivano-Frankivsk on implementing their strategic plan tourism development projects and LED will continue to market her services to other partner cities.

Task 3: Strategic Plan Development – Facilitate the development of LED strategic plans in at least 35 cities and disseminate lessons learned to other cities. A successful approach to development of Strategic Plans includes: 1) The Mayor and the City Council establish a permanent LED Steering Committee of elected officials and a representative cross-section of community and business leaders to supervise strategic plan preparation and implementation. Based on a Vision Statement that describes the desired quality of life for citizens, sub-committees develop the plan's components. 2) The city establishes a Municipal Office of Economic Development, which becomes the implementer of municipal commitments for LED. 3) Strategic Plans are adopted as municipal ordinances by City Councils.

The LED Project uses an efficient strategic planning methodology based on focused public-private dialogue that results in the following outcomes over the course of about five months:

- 1) **Introductory Meeting** - Project launched: letter of intent between the LED Project and the city signed, schedule agreed upon, roles and responsibilities assigned, public-private Expert Committee created, works on the Community Profile and the Business Attitudes Survey (BAS) initiated.
- 2) *Between Introductory Meeting and the First Expert Committee Meeting* – Community Profile and BAS completed.
- 3) **First Expert Committee Meeting** – Community Profile and BAS introduced and discussed, LED critical issues selected based on completed analyses, strengths and weakness of the city's economic position identified.
- 4) *Between First and Second Expert Committee Meeting* – Precise description of the critical issues completed, SWOT analysis completed, menu of goals and objectives prepared based on analytical findings.
- 5) **Second Expert Committee Meeting** – LED goals and objectives identified based on previous analysis, project ideas for each goal identified.
- 6) *Between Second and Third Expert Committee Meeting* – Detailed description of LED goals and objectives and initial project drafts completed.
- 7) **Third Expert Committee Meeting** – Detailed projects for each critical issue and goal designed, project work plans drafted.
- 8) *Between the Third and Fourth Expert Committee Meeting* – Full Strategic Plan drafted.
- 9) **Fourth Expert Committee Meeting** – Draft Strategic Plan presented to an enlarged community of stakeholders, feedback obtained, Strategic Plan Implementation Management Committee formed, principles of LED Project implementation assistance agreed upon.
- 10) *After the Fourth Expert Committee Meeting* – Draft Strategic Plan refined according to feedback from the public, finalized, and submitted to the City Council for adoption as a municipal ordinance.

A synopsis on the status of strategic plan development in LED partner cities is provided below.

Wave 1 – 3 Target Cities.

On March 13, 2008, *Ternopil* became the last out of 27 cities from the first three waves of LED activity to adopt a Strategic Plan for Economic Development. Ternopil was the only LED partner city where the City Rada did not adopt the Strategic Plan promptly after its completion, which for Ternopil was in February 2006, due to a stormy political situation within the City Council. However, the Plan had been initially approved by the Rada's Executive Committee and only needed slight modifications and additions before finally being adopted. Ternopil's Strategic Plan addressed four critical issues: SME and Tourism Development, Business and Communal Infrastructure Development, Creating Conditions for Investment Attractions, and Development of Environmental Protection Infrastructure and Improvement of the Ecological Situation. Now that the strategy is officially in effect, there is renewed commitment from the city for its rapid implementation.

Wave 4 Target Cities.

Six out of eight partners from the group of Wave 4 cities including *Sumy*, *Konotop*, *Nova-Kakhovka*, *Izyum*, *Pervomaysk* and *Lozova* have already adopted Economic Development Strategic Plans during the previous two quarters. The city of *Poltava* held its last meeting of the Expert Committee for Strategic Planning on January 16, 2008 where a completed draft of the LED Strategic Plan was presented to members of the local community including businessmen, NGOs, City Council members, and the media. While the Plan is still under consideration by the Executive Committee of the City Council, the city has already taken extraordinary steps to integrate it with the municipal budget. The Economic Development Strategic Plan for *Artemivsk* was completed during the previous quarter and is also awaiting City Council adoption as a municipal ordinance.

Wave 5 Target Cities.

Romny is the only Wave 5 city that developed and adopted its Strategic Plan in record time with cooperative assistance from LED and the EU Sustainable Local Development Project during the previous quarter. The second city closest to the finish line of the strategic planning process in *Alchevsk*, where USAID/LED and the Donbass Industrial Union have established a GDA partnership to finance projects arising from the Strategic Plan. During the quarter, the Alchevsk public-private Expert Committee for Strategic Planning held its second and third meetings on February 12 and March 12 respectively to establish goals and objectives based on the completed Business Attitudes Survey, Community Profile and SWOT Analysis and design detailed projects to meet them.

The cities of *Izmail* and *Krasnoperekopsk* are both now at the mid-way point in their strategic planning process, each having held their first two Expert Committee meetings to discuss the results of the Community Profile and Business Attitudes Survey, decide on critical issues, formulate a strategic vision, conduct a SWOT analysis and approve a list of objectives based on the analytical effort. The first and second Expert Committee meetings in *Izmail* were held back to back on January 30 and February 4. Discussion focused on how to better utilize *Izmail*'s deep water port on the Danube to accelerate the city's economic development. Similarly, discussions at the first two Expert Committee meetings in *Krasnoperekopsk* on

February 13 and March 14 centered around taking advantage of the city's location on one of the two main transport routes through the isthmus connecting Ukraine and the Crimean peninsula.

Another Wave 5 city with strong economic development potential is *Sevastopol*. The city launched its strategic planning process on February 7 with the signing of a tri-partate Agreement of Cooperation between the Deputy Head of the City-State Administration and the Head of the City Rada, who represent two often-feuding sides of the city's atypical power-sharing government, and the USAID Mission Director. Despite the difficult political situation in the city, the Project assembled a strong committee of stakeholders from the local government and business community to develop a united vision for economic growth and specifically for investment attraction. The Expert Committee held its first working meeting on March 5, 2008 to create a strategic vision and define critical issues based on the Project's standard set of analytical tools. Strategic planning in Cherkasy, the last of the six cities from this wave, has yet to begin.

Wave 4 and 5 Non-target Cities.

Since strategic planning activities in "non-target" cities are led by LED's LGSO consultants as part of the Project's LGSO capacity building effort, strategic planning in non-target cities is covered under Task 2, Sub-Task B.

Task 4: Implementation of LED Strategic Plans – Review Strategic Plans for actions to be taken by local government, business interests, and other groups and provide technical assistance and/or co-funding for implementation of critical action components. Use the Innovation Fund for action implementation funding only when the requesting city provides no less than 60% matching of the funds.

In March 2008, the LED Project, in cooperation with the Communities Economic Development Section of the Association of Ukrainian Cities, held its fourth meeting of LED and FDI professionals from partner city Municipal Offices of Economic Development (MOEDs) and local government support organizations. For the first time ever, this meeting was held outside of Kyiv, in the City of Chernivtsi. With the Project's assistance, the City organized this seminar, attended by over 70 representatives from more than 38 cities in Ukraine. As host, Chernivtsi introduced the participants to many of the City's accomplishments, and arranged guided excursions and dinners for all of the attendees. The City also invited representatives from other localities to witness a sale of municipality land by auction, which was arranged for one of the days of the conference.

Other features of the Meeting were presentations about taking advantage of EU opportunities, and moving from economic development of municipalities to regional development and a presentation by the Project of its "panorama" tool, which allows cities to show a full panorama of any object that the City would wish to advertise. In addition, representatives from Pavlohrad, Kahovka, Chortkiv, Ivano-Frankivsk, Lugansk, Yevpatoria, Kovel and the Chernihiv region gave formal presentations on how those cities are progressing with implementation of their economic strategies.

MOED meetings such as this are intended to solidify the profession of local economic development practitioners, and the Project has found that as time goes on, linkages and networks among the cities that are pursuing their strategic plans have grown more fluid and

more strong. LED requests that partner cities provide quarterly reports on their progress regarding implementation of their respective strategic plans, and these reports usually form the basis of information that cities bring to the MOED meetings. Below are the activities of a small selection of some of our very active cities and additional information on implementation progress of several other cities is located in Annex B.

Kypyansk. Kupyansk is concentrating on the preparation of a new General Plan for the City, a priority task identified in the Strategic Plan. In this quarter, the City designated budgetary funding for 2008 in the amount of UAH 138,250 for preparation of the Plan. A new General Plan will greatly assist the City's effort to develop land for industrial, commercial and residential use.

In this quarter, Kupyansk concentrated efforts on communal services and public infrastructure. Under contract to the City, the Kharkiv National Academy of Municipal Affairs drew up a program for the development, modernization and rehabilitation of the heating supply system. The program was approved by the City Rada on March 18, 2008. In addition, the city built 8 new container sites for waste collection, and another 11 sites are currently being designed. Finally, five city housing committees were elected to represent buildings and begin to define apartment owners' maintenance responsibilities, and city deputies held 11 meetings with the residents of multi-story buildings to discuss the quality of city services.

Rovenky. A primary objective of the Strategic Plan is to improve the city's business climate by providing information to business and by operating a one-stop shop that expedites business permitting. During the past quarter, 16 business entities applied to the one-stop shop, which issued 39 permits as follows: 1 site location permit; 36 permits regarding land allocation; and 2 permits to install a small architectural object. In addition, the one-stop shop held 22 consultations with business entities. The City also maintains a widely advertised hot line for questions for businessmen. All calls are registered in the subscriber's form and consultations are provided by the unit of business development and assistance. In addition, the City's website maintains data about land sites, local by-laws, local draft legislation, business start-ups and other information interesting to business, and regularly posts and updates this data on its website. And finally in the past quarter, the City analyzed local resolutions approved in 2006-2007 to identify those that are out of step with the Law of Ukraine on the basics of regulatory policies guiding economic activities.

Ternopil. The City Rada approved its amended Strategic Plan on March 13, 2008. This is a milestone of sorts because the Project facilitated creation of the strategic more than 28 months ago. The mayoral elections in 2006, which took place prior to Ternopil's passage of its Strategic Plan, saw a change in City Hall, and the advocates of the Plan have been working since then to have the "new" administration adopt the Plan. The Plan adopted by the Rada in 2008 is marginally different from the draft plan of 2005; however, the ultimate adoption of an economic development strategy is good testament to the merits of the plan facilitated by the Project long ago.

An interesting part of this story is that the city has long been carrying out aspects of the 2005 strategy, and thus is on its way to implementing the 2008 version. This past quarter, the City designated premises for the one-stop shop called for by the economic plan, and the space is now undergoing repairs.

Ternopil is a strong city economically, and one of its strategies priorities is the attraction of investment. Pursuant to this goal, the City prepared data necessary for the city to be awarded a credit rating as early as the second quarter, 2008. It also began preparations for its Third International Investment Forum, designed a new official promotional city web-site that is being tested, and retained the Ukrainian Urban Construction Institute to begin drawing up a new city Master Plan.

Kamanyets-Podilsky. A major objective of Kamanyets-Podilsky's economic development strategy is the growth of the tourism sector. In the past quarter, the City announced the beginning of several contests that will be focused on producing projects for tourism development in the City. These contests are: how to promote THE SEVEN WONDERS of the KAMANYETS-PODILSKY. A video highlighting the major nominations was produced by a local team. Organizers prepared a media project about the seven wonders of Kamyanets-Podilsky consisting of a DVD and a booklet; participation in the nationwide contest, THE SEVEN WONDERS of UKRAINE; a contest to determine the best investment project dedicated to the construction of the city tourism infrastructure entitled "The City of the Future"; and a contest for the best young professional in tourism industry among young professionals of Kamyanets-Podilsky. In addition, a new private hotel, The Staryi Bank, was opened this quarter.

A second primary objective of the City's strategy is to develop the SME sector. This past quarter, the City and its Employment Center conducted a round table on the enhancement of business activity in K-P, and continued with regular meetings of Business Support Coordination Council and of the Coordination Council on Market Place Operations. Finally, the City issued 13 permits to retailing companies and service providers to allow the start of business operations.

Finally, the City pursued its strategic goal of investment attraction by continuing monthly meetings of the City Investment Council, and specifically working on the following projects: preparation for the Fifth International Investment Forum entitled «Tourism and Recreation Potential of the Dnister Region» (an inter-raion and inter-oblast investment fair); provision of marketing support to the investment/industrial park project, which is actively looking for potential investors; solicitation of an updated rating from the rating agency «Credit Rating» (last rating, 2007); update of web-site with new investment proposals; and approval of 2008 Program of Socio-Economic Development.

Implementation Progress in Wave 3 Cities

Chernivtsy: Tourism development is one of the main objectives of Chernivtsy's economic strategy. The City is undertaking a number of concurrent tasks promote its tourist base. In the last quarter, it joined Ukraine's Association of Journalists' "Ukraine Tourism Press Club", and organized a mass media tour in Chernivtsi and across Bukovyna region. In a similar vein, the City has planned a promotion tour for the large tourist companies from Eastern Ukraine. In the past quarter, representatives from the City Rada and the association "Tourist Bukovyna" presented Chernivtsi to foreign delegations at two international exhibitions, in Lodz (Poland) and in Niredgazi (Hungary). Finally, the City completed marketing materials for its 600th anniversary: a booklet "Chernivtsi" in Ukrainian and English and a gift set "Chernivtsi-600". The booklet contains tourism-related information (facts about the city, a map of the downtown area, a list of hotels, restaurants, entertainment centers, etc.) and is

printed in Ukrainian, Russian, German, English and Romanian. The City will make this booklet available to all hotel visitors in 2008–2009, free of charge.

A second strategic objective of the City is investment attraction, and this quarter the City stayed active in working towards that goal. In cooperation with the Department of Culture, the city tendered reconstruction and restoration of the former "Ukraina" movie theatre. In partnership with the Urban Construction and Land Relation Department, the City tendered a competition for construction of a multi-storey hotel with underground parking in the city center.

Other investment-promotion activities undertaken by the City last quarter include: a package of marketing materials in several languages including an already published investment passport in English and German, and an investor map; research about creating a database about the provision of consumer and industrial goods and commodities by local companies; formation of linkages with trade missions of foreign countries and potential investors engaged in priority areas; addition of an Investment Proposals Section in the official website; a list of land plots in Chernivtsi suitable for the implementation of investment projects; and preparation of a proposal about the Chernivtsi industrial zone, to compete in the All-National Contest of Local Government Development Programs. In addition, in March 2008, a private investor purchased a land plot of 1.2237 hectares, which is located in the industrial zone and designated for manufacturing and warehouse premises.

Implementation Progress in Wave 4 Cities

Pervomaysk: On January 15, 2008 the City Rada approved Pervomaysk's "Program for Economic and Social Development for 2008", with the development of a new Master Plan as one of its key objectives. The Economic Strategic Plan called for an annual development program and for the design of a new City Master Plan. As part of this priority, the City retained the Urban Construction Institute "Dnipromisto" on March 31, 2008, with an order to complete the Master Plan by April 01, 2009. In addition, the City entered into an agreement with the mapping company "ECOMM Co" to prepare cartographic material for the Master Plan. All of this work is part of the economic strategy's emphasis on land and real estate resources that might be turned into revenue for the City. The city also began to inventory its municipal property during the past quarter, and the Rada determined which land plots and municipal real estate will be subject to privatization.

The Strategic Plan also calls for investment attraction, and as part of that effort, the city's official web-site is being continuously updated. Information streams in from the city government departments and units (notices on auctions, local by-laws, monitoring, etc), and is immediately posted. It is a similar situation concerning news about most prominent events in the social life of the city. In total, 70 pieces of information were posted on the website in the first quarter, 2008.

The City's website also contains some specialized pages for investment and business growth. One page is entitled "Investment Projects" and has information about 7 projects at 6 enterprises. Data is continuously updated. In addition, the City created a data base about the City's innovation potential as of January 1, 2008. In this regard, the city works with academia to discuss and write about the complementarity of science and commercial interests, and posts this information on its website. Relevant to the City's efforts to examine the economic potential of scientific innovation is its exploration of possibly implementing a project by the

Mykolaiv Shipbuilding University regarding the development of a Research and Innovation complex.

The City has already designed a commercial project to establish the complex through the efforts of an amalgamation of stakeholders, including the City Rada, the Shipbuilding University, scientific research centers, financial institutions, and a number of private large companies and SMEs.

Another key objective of the Economic Strategic Plan is the strengthening of SME's and the business environment. In the last quarter, the City conducted six agricultural fairs in which farmers of the Raion of Pervomaysk took part. Similar objectives have altered the curriculum of the local school. Now the school system operates 24 specialized groups in the 10-11th grades. All students of 10th grade are introduced to the Basics of Economics; local gymnasium offers a vocational class entitled "My Career" and "The Basics of Career Options". Due to the lean education budget, the city cannot introduce a course on business and investment management, but the City is working to find a solution to this gap in basic free market education.

Other tasks directed at the business environment and assistance to SME's are as follows: the City Employment Office continuously provides managerial and financial assistance to local companies in creating new jobs; local government organized 3 meetings of the Coordination Committee on Employment Promotion, which are part of a continuing series at which Employment Center staffs are regular guests; the Pervomaysk City Employment Center, which supports entrepreneurial training, regularly organizes retraining based on its program, "Organization of Management in SME's" and "Organization of Small Businesses". In addition, the City's permitting center designed a catalog of procedures regarding the obtaining of permits and licenses covering the following: site selections and construction facilities; production of land planning documents; resolutions on the approval of land planning documents; registration of lease agreements; construction works projects; bringing facilities on-line; transfer of residential premises into non-residential premises and their reconstruction to house non-manufacturing facilities; and undertaking of retailing and catering operations.

Innovation Fund.

- ***Ivano-Frankivsk Resource Management & Land Survey.***

Pursuant to Innovation Fund Agreement No. LED-07-006 signed between the LED Project and the Ivano-Frankivsk City Council on December 4th, 2007 in support of the city's project on "Implementation of an Efficient Investment Opportunity Marketing System to Attract Investment" in the amount of up to UAH 75,000 (USD 14,851), the LED Project purchased and transferred to the Economic Analysis and Strategic Planning Department and the Industry and Investments Department the equipment and applications listed below:

| # | Cost Item | Details of the item | Unit Cost, UAH | # of Units | Total Cost of the Property, UAH | Present Value of the Property, UAH |
|----|--------------------------------|--|----------------|------------|---------------------------------|------------------------------------|
| 1. | Desktop computer - workstation | PC ValTek Computers - Intel Core2Duo E4500 2.2 GHz/1Gb/200Gb 7200/DVD-+RW/8500GT /Fdd/ ATX/ Win XP PRP Rus/ MS Office 2007 SB Ukr / Monitor Samsung 17" 720N TFT | 5,812.60 | 4 | 23,250.40 | 23,250.40 |

| # | Cost Item | Details of the item | Unit Cost, UAH | # of Units | Total Cost of the Property, UAH | Present Value of the Property, UAH |
|----|-----------------------------|--|----------------|-----------------|---------------------------------|------------------------------------|
| | | / keyboard KB-1807 Slim / optical mouse SP / mouse pad | | | | |
| 2. | UPS Device | APC Back-UPS CS 500VA | 365.00 | 4 | 1,460.00 | 1,460.00 |
| 3. | Printer | Canon LBP-2900 | 679.00 | 3 | 2,037.00 | 2,037.00 |
| 4. | Scanner | HP SJ 3800 | 490.00 | 1 | 490.00 | 490.00 |
| 5. | USB Flash memory drive | 4 Gb 2.0 Transcend | 157.00 | 2 | 314.00 | 314.00 |
| 6. | USB Flash memory drive | 2 Gb 2.0 Transcend | 95.00 | 1 | 95.00 | 95.00 |
| 7. | Fax machine | Panasonic KX-FP218UA white | 881.00 | 1 | 881.00 | 881.00 |
| 8. | Office bookcase (glasscase) | kwss 19/5 | 750.00 | 1 | 750.00 | 750.00 |
| | TOTAL | -- | -- | 17 units | UAH 29,277.40 | UAH 29,277.40 |

The equipment was transferred to the Economic Analysis and Strategic Planning Department and the Industry and Investments Department in the Ivano-Frankivsk City Council (MOED) on February 12, 2008. An Act of Receipt and Acceptance of the equipment was signed by Ivano-Frankivsk Mayor Viktor Anushkevychus. Equipment and applications installation was conducted by the City Council's IT Specialist.

The LED Project will soon address USAID-Kyiv Contracting Office to ask for approval of disposition of inventory to transfer title for the inventory to the Ivano-Frankivsk MOED. Currently, both the LED Project and the recipient acknowledge that the inventory remains the property of the United States Agency for International Development.

• *Yevpatoria Resource Management & Investment Attraction.*

Pursuant to Innovation Fund Agreement No. LED-07-007 signed between the LED Project and the Yevpatoria City Council on December 13th, 2007 in support of the city's project on "Creating an Investment Attraction System for the City Economy and Ensuring City Competitiveness on the Investment Market" in the amount of up to UAH 77,300 (USD15,307) the LED Project purchased and transferred to the Strategic Planning Department the equipment and applications listed below:

| # | Cost Item | Details of the item | Unit Cost, UAH | # of Units | Total Cost of the Property, UAH | Present Value of the Property, UAH |
|----|--------------------------|--|----------------|------------|---------------------------------|------------------------------------|
| 1. | Copy machine | Canon IR2016J+Platen Cover type J | 4,950.00 | 1 | 4,950.00 | 4,950.00 |
| 2. | Scanner | Epson Perfection V10 | 406.00 | 1 | 406.00 | 406.00 |
| 3. | Fax machine | Panasonic KX-FP218UA | 775.00 | 1 | 775.00 | 775.00 |
| 4. | USB Flash memory drive | 4 Gb USB 2.0 P*N*P | 156.00 | 1 | 156.00 | 156.00 |
| 5. | Monitor | 17" TFT Samsung 720N | 1,123.00 | 4 | 4,492.00 | 4,492.00 |
| 6. | Printer | HP PhotoSmart D7363 | 1,087.00 | 1 | 1,087.00 | 1,087.00 |
| 7. | Digital voice recorder | | 765.00 | 1 | 765.00 | 765.00 |
| 8. | Desktop PC – workstation | System unit – AMD Sempron LE-1100 1,9 GHz 45W / 512MB DDR2/HDD 80Gb/DVD+/-RW/FDD/ATX 350W Win XP Pro SP2 Rus/ MS Office 2007 SB Rus / keyboard KB-1807 Slim / optical manipulator "mouse" SP | 3,391.60 | 2 | 6,783.20 | 6,783.20 |
| 9. | Desktop PC – workstation | System unit – Intel Dual-Core E2160 1,6 GHz 1Gb DDR2 (667MHz)/HDD 250Gb/VA 8500 | 6,737.95 | 1 | 6,737.95 | 6,737.95 |

| # | Cost Item | Details of the item | Unit Cost, UAH | # of Units | Total Cost of the Property, UAH | Present Value of the Property, UAH |
|-----|---|---|----------------|-----------------|---------------------------------|------------------------------------|
| | | GT 256Mb/DVD+/-RW / CardReader / ATX350W / Win XP Pro SP2 Rus / MS Office 2007 SB Rus / Corel Draw 13x3 / keyboard KB-1807 Slim / optical manipulator "mouse" SP | | | | |
| 10. | UPS devise | UPS APC Back-UPS CS 500VA | 368.50 | 4 | 1,474.00 | 1,474.00 |
| 11. | Desktop PC (file server) – workstation | System unit – Intel Core 2 Duo E4500 2.2 GHz 1Gb DDR2 (2x512MB Dual)/HDD 250Gb/VA Radeon HD 2600 Pro 256 MB / DVD+/-RW / CardReader / ATX350W / Win XP Pro SP2 Rus / MS Office 2007 SB Rus / keyboard KB-1807 Slim / optical manipulator "mouse" SP | 4,642.60 | 1 | 4,642.60 | 4,642.60 |
| 12. | Laptop PC | HP 530 KD080AA | 5,796.60 | 1 | 5,796.60 | 5,796.60 |
| 13. | Switch | D-Link DES-1008D 8 ports 10/100Mbps | 81.60 | 1 | 81.60 | 81.60 |
| 14. | VPN-router | D-Link DI-824VUP+ | 557.00 | 1 | 557.00 | 557.00 |
| 15. | Digital video camera, DVD | Canon DC19+Secure Digital Card 4Gb | 3,072.10 | 1 | 3,072.10 | 3,072.10 |
| 16. | Multimedia projection apparatus | Leater LX 403U | 7,791.00 | 1 | 7,791.00 | 7,791.00 |
| 17. | LCD TV Set | 32" Prestigio P320BDVD-X | 4,129.10 | 1 | 4,129.10 | 4,129.10 |
| 18. | Demonstration tripod screen | Draper Consul Matt AV 70x70 (178x178) | 889.00 | 1 | 889.00 | 889.00 |
| 19. | Binder | Mod. 2952. 450 sheets / 8 sheets | 260.60 | 1 | 260.60 | 260.60 |
| 20. | Binding spins, plastic | 10 mm, box | 22.44 | 1 | 22.44 | 22.44 |
| 21. | Binding spins, plastic | 14 mm, box | 39.60 | 1 | 39.60 | 39.60 |
| 22. | ABBYY Lingvo 12 Software. Multilanguage electronic dictionary. | BOX version | 348.00 | 1 | 348.00 | 348.00 |
| 23. | ABBYY Lingvo 12 Software. Three language electronic dictionary. | BOX version | 126.00 | 1 | 126.00 | 126.00 |
| 24. | ABBYY Lingvo 12 Software. Three language electronic dictionary. | License for three additional seats. | 315.00 | 1 | 315.00 | 315.00 |
| 25. | ESET NOD32 Antivirus Software Business (B5) | One year license. For budget and non-profit organizations. | 80.76 | 5 | 403.80 | 403.80 |
| | TOTAL | -- | -- | 36 units | UAH 56,100.59 | UAH 56,100.59 |

The equipment was transferred to the Strategic Planning Department in the Yevpatoriya City Council (MOED) on February 28, 2008. An Act of Receipt and Acceptance of the equipment was signed by Yevpatoriya Mayor, Andriy Danylenko, and the Head of the Main Department for Investment Policy and Foreign Economic Relations Serhiy Strelbytsky. Equipment and applications installation was conducted by the City Council's IT Specialist.

The LED Project will soon address USAID-Kyiv Contracting Office to ask for approval of disposition of inventory to transfer title for the inventory to Yevpatoriya MOED. Currently, both the LED Project and the recipient acknowledge that the inventory remains the property of the United States Agency for International Development.

Task 5: Legal and Regulatory Framework – Draft and implement legislation to support LED and local self governance, and help cities improve local regulations to improve the business environment and enhance their attractiveness for investment. Provide administrative

oversight for an existing national network of legal aid centers to enable the “All Ukrainian Union of Legal Assistance to Rural Population” to receive Federal awards. Implement a training program for FDI professionals with an emphasis on participants from the south and east of Ukraine. Construct a database of FDI opportunities designed at the local level.

Regulatory reform for LED and local self governance.

The first quarter of 2008 brought numerous opportunities for the LED Project to provide recommendations on legislative initiatives impacting the use of land for local economic development. Specifically, LED’s Legal Advisor analyzed and provided commentary on the following legislation:

- Draft Law of Ukraine “On the State Land Cadastre” for the Verkhovna Rada Committee on Regulatory Policy;
- Draft Law of Ukraine “On the Land Market” for the Verkhovna Rada Committee on Agrarian Policy and Land Relations;
- Draft Law of Ukraine “On Amendments to Articles 116 and 124 of the Land Code of Ukraine Regarding Obtaining Lease Rights for Land Plots Based on Auction Results” for the Verkhovna Rada Committee on Agricultural Policy and Land Relations;
- Draft laws amending the Land Code to extend the moratorium on the sale of agricultural land for the Verkhovna Rada Committee on Agricultural Policy and Land Relations;
- The section dealing with amendments to the Land Code of Ukraine and other laws regulating land relations of the Law of Ukraine “On the State Budget for 2008” for the LED Project and USAID experts and partner cities;
- Resolution of the Cabinet of Ministers of February 22, 2008 on “Select Issues of Conducting Land Auctions” for LED Project experts and partner cities;
- Resolution of the Cabinet of Ministers of February 22, 2008 on “Procedures for the Preparation of Plans for Land and Economic Arrangements of Territories of Settlements” for LED partner cities without approved City Master Plans;
- Resolution of Cabinet of Ministers of March 13, 2008 on “Re-establishing the State Committee of Ukraine for Land Resources” and Resolution of March 19, 2008 on “Adopting Regulations on the State Committee of Ukraine for Land Resources” for LED Project experts and partner cities; and
- Draft laws of Ukraine amending the laws on construction support for the Verkhovna Rada Committee on Agricultural Policy and Land Relations.

The Legal Advisor also submitted recommendations for a new initiative on resolving issues of land purchases and sales and leasing lands exclusively through auction to the Cabinet of Ministers of Ukraine through the Association of Ukrainian Cities.

LED’s legislative involvement for local economic development was supported by active participation in related public meetings and discussions. LED’s Legal Advisor participated in a roundtable on “Land Legislation in the Land Market Environment” organised by the Verkhovna Rada Committee on Regulatory Policy together with the Ministry for Agrarian Policy, the State Committee on Land Resources and other government agencies to speak about the draft Laws of Ukraine “On State the Land Cadastre” and “On the Land Market” and about the cancellation of the moratorium on the sale of agricultural lands. He also

participated in a USAID seminar on supporting legislative initiatives in Ukraine to make a presentation on the peculiarities of drafting and applying land and investment legislation in the area of city economic development strategic planning and in the Civil Land Forum organized by the LED and TIBA Projects together with AUC to discuss the current status of initiatives to enhance land reform in Ukraine. As the LED representative at the International Scientific Conference on European Perspectives of Municipal Management organised by the Academy for Municipal Management, the Legal Advisor gave a lecture on the “Problems of Legal Regulation of Land Relations in the Context of Global Integration.”

In addition to national level legislative advocacy work, LED continued providing practical legal advice to its partner cities in the development and implementation of their economic development strategic plans. On the strategic planning side, LED’s Legal Advisor provided recommendations to the cities of Izyum and Trostyanets regarding the use of recreational lands for attracting investments into the tourism sector. He also performed a legal analysis of problems associated with the use of lands during the strategic planning process in the city of Krasnoperekopsk and provided preliminary recommendations on how to resolve them. A seminar for Krasnoperekopsk City Council members and City Hall specialists has been scheduled for next quarter. On the strategic plan implementation side, LED prepared conclusions and recommendations on procedures for allocating land plots for development purposes and for the construction of a mutli-purpose construction materials store for the Nova Kakhovka City Mayor. The cities of Chortkiv and Poltava requested legal assistance in interpretation of the Law of Ukraine “On the State Budget for 2008”; the former received clarifications on how to offer land plots for investment through auctions and tenders and the latter on how to lease land plots for business purposes. Finally, LED continued to provide legal advice to Dolyna, its partner city through the FDI training program, on the use of non-agriculatural land plots for investment purposes and on the procedures for conducting land auctions to sell land lease rights to foreign investors.

Support to Legal Aid Centers.

The liquidation process of the IPZUS legal aid NGO is nearing completion. It began in the summer of 2007 when NGO Director Pavlo Kulinich and the LED Project, which was tasked with preparing the new organization to receive federal funding, found out that no such funding would be forthcoming. During the quarter, IPZUS submitted its final program narrative report and requested to release the final disbursement to its servicing law firm assisting in liquidation. The LED Project prepared a final reconciliation of grant funds, provided to IPZUS in March 2007 to test its independent operation, and closed standard grant # LED-06-003 on March 31, 2008. The final reconciliation data is provided below:

| | |
|---|--------------------------------|
| 1.1. Wired to Beneficiary’s bank account: | UAH 1,314,564.59 |
| 1.2. Unused grant funds returned to the Grantor: | (UAH 2,849.56) |
| 2. Direct Vendor Payments (45 payments): | UAH 114,073.54 |
| 3. TOTAL grant funds used: | <u>UAH 1,425,788.57</u> |

The grant total is equal to USD 282,334.37 at the NBU official exchange rate as of the date of execution (UAH5.05 / USD1.00).

Foreign Direct Investment (FDI) Initiatives.

The Trainign Program for FDI Professionals is teaching local government representatives how to make their cities more competitive in attracting foreign direct investments, which

bring new jobs, technologies, management practices and tax revenues. During the previous quarter the FDI Team started the fourth cycle of the FDI Training Program and held two three-day workshops that provided participants with theoretical background on FDI and LED and an in-depth analysis of Ukraine's position and prospects in FDI competition.

This quarter began with an FDI Training Program Study Tour to the Czech Republic, which took place on January 23-30, 2008. Program participants learned about the practices of FDI attraction in the Czech Republic, one of the best FDI performers in recent years, including their results and impacts. The study tour provided participants with exposure to the whole FDI attraction "system": the role of the national investment promotion agency and its cooperation with municipalities, regional administrations and private industrial real estate developers. In addition to meetings with mayors and local / regional administration officials, participants indicated that they highly appreciated visits to companies that recently invested in Czech cities such as Timken in Olomouc or Bang & Olufsen in Kopřivnice. A highlight of the program was the tour around industrial and office premises developed by CTP Invest in Brno, which helped participants understand how the private sector can take initiative in property development. The overall quality of the study tour was rated 4.81 on a 5 point scale.

Comments from FDI Study Tour Participants

"An exceptional study tour. I want to go again!"

"Thanks for the great opportunity to see real results of investment attraction."

"The study tour was very informative and well thought out."

"This training needs to be done for all Verkhovna Rada MPs and oblast cities in Ukraine."

"Very useful and interesting study tour. The training program – superb!"

After the study tour, the FDI Training Program continued with two more workshops. The third workshop titled "Industrial Zones – Preparing and Customizing the Product" took place on February 20–22, 2008 and addressed the role of property in FDI attraction, design of industrial zones and economic aspects of industrial site preparation such as feasibility studies and cost-benefit analyses. On March 12-14, 2008, the fourth and last workshop rounded out the knowledge of the trainees by focusing on "sales" techniques to assist them in greeting potential foreign direct investors and in bringing them to the point of deciding to do a deal. During the "Marketing and Selling" workshop, participants learned about effective promotional tools and received instruction and coaching on how to make effective presentations and first impressions. Fourth cycle trainees are now well prepared to take their final exams at the beginning of next quarter.

During the quarter, the FDI team continued work on the web database of investment opportunities in Ukrainian cities. Descriptions of 4 sites that were no longer available were deleted from the database and 7 new entries were added. The newly-added sites from the cities of Voznesensk, Kakhovka, Trostyanets and Lozova represent new eastern and southern oblasts in the database namely the oblasts of Mykolaiv, Kherson, Sumy and Kharkiv. The total number of sites presented on the database at the end of the quarter was 36.

Task 6: Regional Economic Development Support – Appraise USAID of all regional activities taking place in the Eastern and Southern regions of Ukraine and involving the Project's target cities, with the understanding that the Project may become involved in such planning should further funding materialize.

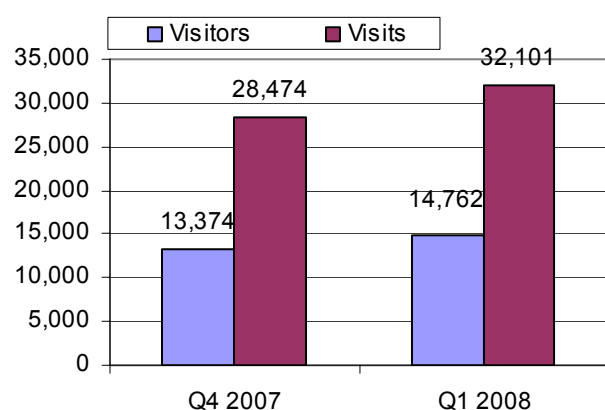
During the quarter the Project and USAID agreed that LED will design and implement a pilot regional initiative that builds upon the work of some of the Project's sister cities to illustrate a regional competitiveness approach based on participatory economic planning in a selected "economic region" (as opposed to an administrative region). Therefore, the draft Work Plan for 2008 includes a pilot project on a Strategic Regional Competitiveness Plan to be completed by the end of November 2008. Next quarter, LED will work in close consultation with USAID to finalize the strategy and select a region for the pilot project.

Task 7: Information Dissemination – Design a strategy for outreach and communication, the purpose of which will be to help target cities better implement LED strategies and to enable non-target cities to have enough information to launch their own strategies on their own initiative. The strategy must be approved by USAID.

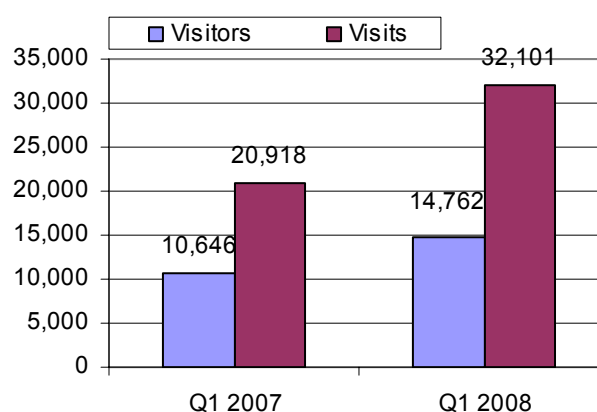
Website Maintenance. During the period under review, eight news stories were published in the News section of the LED website (www.led.net.ua). All of the stories featured developments in the LED Project's partner cities and/or project-related events. For example, one of the stories talks about a landmark building in Chernivtsi to be restored by a local enterprise, which will afterwards take it on long-term lease. The contest for restoration and lease of the historical building was initiated by the city's Investment Office – at the time managed by a graduate from the Project's FDI Training Program. The move is expected to create at least 20 new jobs and generate annually UAH 100,000 or more for the city budget. Other cities covered by the stories include Trostyanets, Shepetivka, Ternopil, Kamyianets-Podilsky, Ivano-Frankivsk, and Sevastopol. The full text of all stories produced during the quarter is included in Annex C of this report.

The interest of the Internet community in the LED Project website continued to grow during the first quarter, even though it began during the winter vacation period, as shown by the charts below comparing site visits between the quarter under review and the previous quarter and between the first quarters of 2007 and 2008.

Comparison of LED web site visiting statistics between the fourth quarter 2007 and the first quarter 2008



Comparison of LED web site visiting statistics between the first quarter 2007 and the first quarter 2008



| Domain | Percentage |
|--------|------------|
| .us | 54.3% |
| .eu | 20.0% |
| .ua | 12.4% |
| .ru | 2.8% |
| Other | 10.6% |

and Great Brittan (.gb).

Media Relations. The January-February 2008 issue of *USAID Insight* published two success stories produced by the LED project earlier: "E-Scissors for Red Tape" (the front-page top story of the issue) and "Willingness to Pay – a Litmus Test for Sustainability".

The table below provides a summary of project progress per the contract and its modifications as well as per the draft 2008 (Year 4) Work Plan (WP) covering the period between January 1, 2008 and December 31, 2008, which is still pending USAID approval. A quarterly monitoring and evaluation report based on the Project's intermediate results framework and drawn mainly from progress reports submitted by LED partner cities is attached as Annex B.

| Task 1: Participating City Selection Process | | | |
|---|--|---|--------------------------|
| | Contract Performance Requirements (Aug. 2004 – Dec. 31, 2008) | Year 4 Work Plan Activities and Indicators (January – December 2008) | Cumulative Status |
| 1 | Strategy and criteria for city selection submitted and approved by USAID | >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> | 1. Completed |
| 2 | 40 cities selected (Modification 7) | >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> | 41 out of 40 |
| 3 | Graduation criteria for participating cities submitted and approved by USAID | >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> | 3. Completed |

| Task 2A: Building Ukrainian Capacity – Development of Municipal LED Toolkit | | | |
|---|---|---|--|
| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators (January – December 2008) | Cumulative Status |
| 1 | Toolkit submitted and approved by USAID; Toolkit regularly updated according to Work Plan | <p>1a. 4 tools completed for Volume II of the LED Toolkit (carried over from Year 3 WP to Year 4 WP Goal 2, Action A1), including 1 tool on “territorial planning” (Year 4 WP Goal 4, Action A3)</p> <p>1b. Responsibility for Toolkit maintenance and addition handed-off to responsible party (Year 4 WP Goal 2, Action A2)</p> <p>1c. Seminar introducing tools and tool authors to LED professionals held (carried over from Year 3 WP to Year 4 WP Goal 2, Action A3)</p> | <p>Volume I done; Volume II in process; 20 tools completed</p> <p>1a. 0 out of 4</p> <p>1b. Not yet due</p> <p>1c. Completed</p> |
| Task 2B: Building Ukrainian Capacity – LGSOs Capacity Increased | | | |
| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators (January – December 2008) | Cumulative Status |
| 1 | 30 LGSO trainers trained and engaged in training stakeholders (Modification 7) | <p>1a. Strategic planning in at least 8 already identified non-target cities completed by LGSO consultants in 2008 (Year 4 WP Goal 2, Action B1 (a))</p> <p>1b. All non-target city strategic planning begun after 1/1/2008 have cost-sharing elements (Year 4 WP Goal 2, Action B1 (b))</p> <p>1c. At least 6 LGSO consultants work in some specific form of strategic plan implementation that deals with issues common to a number of cities in Ukraine (carried over from Year 3 WP to Year 4 WP Goal 2, Action B2 (a))</p> | <p>28 out of 30</p> <p>1a. 4 out of 8 in 2008;</p> <p>1b. Strategic planning in new non-target cities yet to begin</p> <p>1c. 2 out of 6</p> |

| | | | |
|---|---|---|--|
| 1 | Toolkit submitted and approved by USAID; Toolkit regularly updated according to Work Plan | <p>1a. 4 tools completed for Volume II of the LED Toolkit (carried over from Year 3 WP to Year 4 WP Goal 2, Action A1), including 1 tool on “territorial planning” (Year 4 WP Goal 4, Action A3)</p> <p>1b. Responsibility for Toolkit maintenance and addition handed-off to responsible party (Year 4 WP Goal 2, Action A2)</p> <p>1c. Seminar introducing tools and tool authors to LED professionals held (carried over from Year 3 WP to Year 4 WP Goal 2, Action A3)</p> | <p>Volume I done; Volume II in process; 20 tools completed</p> <p>1a. 0 out of 4</p> <p>1b. Not yet due</p> <p>1c. Completed</p> |
|---|---|---|--|

| Task 2B: Building Ukrainian Capacity – LGSOs Capacity Increased | | | |
|---|-----------------------------------|---|-------------------|
| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators (January – December 2008) | Cumulative Status |

[illegible]

Task 4: Implementation of LED Strategic Plans

| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators (January – December 2008) | Cumulative Status |
|---|---|--|---------------------------------------|
| 3 | Action plan implementation support provided via the Innovation Fund given USAID approval and 60% matching of the fund from the requesting city (Modification 7) | <p>3a. Help to cities in preparing Innovation Fund requests provided; requests filtered (Year 4 WP Goal 4, Action B2 (a))</p> <p>3b. Innovation funds disbursed as approved by USAID (Year 4 WP Goal 4, Action B2 (b))</p> | <p>3a. Ongoing</p> <p>3b. Ongoing</p> |

Task 5: Legal and Regulatory Framework (and FDI)

| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators | Cumulative Status |
|---|--|---|---|
| 1 | Local regulations to enhance business environment and investment attractiveness improved in 35 cities (Modification 7) | <p>1a. Legal advice on local land issues for strategic plan implementation provided to at least 12 cities during the life of the project (Year 4 WP Goal 5, Action A)</p> | <p>1. 14 out of 35</p> <p>1a. 12 out of 12</p> |
| 2 | 1 public hearing to present national legislative and policy recommendations for LED held (Modification 7) | | 2. 1 out of 1 |
| 3 | Support for drafting and implementing legislation for improved local self-governance provided to stakeholders (Modification 5) | | 3. Ongoing |
| 4 | Local/regional program on foreign direct investment designed and implemented including a training and certification program for FDI professionals from mostly Eastern and Southern cities as well as for oblast and regional development agencies, with USAID approval (Modifications 5 and 7) | <p>4a. One and one-half FDI training cycles carried-out with emphasis on participating cities from Eastern and Southern Ukraine (Year 4 WP Goal 5, Action B1 (a))</p> <p>4b. One study tour to the Czech Republic for each FDI training cycle completed (Year 4 WP Goal 5, Action B1 (b))</p> | <p>4. 76 professionals trained; 63 certified</p> <p>4a. 4th cycle in progress</p> <p>4b. 2 out of 2; 1 in 2007; 1 in 2008</p> |
| 5 | Given USAID approval and demonstrated GoU desire and commitment, support for the establishment of the national investment agency and training to the agency staff provided | 5a. InvestUkraine Agency personnel trained to be fully competent in interacting with cities and in acting as a national “portal” for local economic assets (Year 4 WP Goal 5, Action B2 (a)) | 5a. Completed; 15 Agency staff trained |

| Task 5: Legal and Regulatory Framework (and FDI) | | | |
|--|---|---|---|
| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators | Cumulative Status |
| 6 | Database of FDI investment opportunities at the local level constructed (Modification 5) | <p>6a. Database populated with land parcels from LED and FDI partner cities with at least 50% of FDI training cities included (Year 4 WP Goal 5, Action B3 (a))</p> | <p>5. Completed</p> <p>6a. 23% out of 50%</p> |
| 7 | Administrative oversight to an existing national network of legal aid centers and the “All Ukrainian Union of Legal Assistance to Rural Population” (the NGO) to enable the NGO to receive Federal awards provided (Modification 6) | | 7. Eliminated due to a lack of funding for the provision of a follow-on federal award |

| Task 6: Regional Economic Development Support | | | |
|---|--|---|--|
| | Contract Performance Requirements | Year 4 Work Plan Activities and Indicators | Cumulative Status |
| 1 | USAID apprised on all regional activities taking place in the Eastern and Southern regions of Ukraine and involving the Project's target cities (Modification 7) | <p>1a. Regional activities in the East and South monitored on a monthly basis (Year 4 WP Goal 6, Action A)</p> <p>1b. USAID CTO immediately notified about any regional activities (such as 2012) requiring immediate action and thorough quarterly reports (Year 4 WP Goal 6, Action A)</p> <p>1c. Pilot Project on a Strategic Regional Competitiveness Plan carried out (Year 4 WP Goal 6, Action A)</p> | <p>1. Ongoing</p> <p>1a. Ongoing</p> <p>1b. Ongoing</p> <p>1c. Yet to be initiated</p> |

| Task 7: Information Dissemination | | | |
|-----------------------------------|---|---|---|
| | Contract Performance Requirements | Year 3 Work Plan Activities and Indicators | Cumulative Status |
| 1 | Outreach and communication strategy developed for non-target cities | <p>1a. Website updated on a continuous basis with LED news, materials, and information about partner cities (Year 4 WP Goal 7, Action A)</p> <p>1b. Final LED Project Report prepared, disseminated and presented</p> | <p>1. Completed</p> <p>1a. Ongoing</p> <p>1b. Not yet due</p> |
| 2 | Support to AUC for establishing a sub-association of FDI | <p>2a. Three meetings of MOEDs, LGSOs,</p> | <p>2. Completed</p> <p>2a. 1 out of 3</p> |

Project to find personnel resources to monitor and report on extensive media coverage. However, it would be safe to assume that LED continues receiving good press. For example, the Project collected more than ten media reports on the strategic plans implementation workshop alone.

Additionally, although this is not a performance challenge, the Project would like to notify USAID that its senior LED Advisor Ihor Parasuyk has moved to the Ministry of Regional Development and Construction of Ukraine as of March 2008. Since LED plans to wrap-up all technical activities by November 2008, the Project has made a decision not to hire a full-time replacement for Mr. Parasyuk but to delegate full responsibility for strategic planning (Izmail only) and implementation in his “target” cities to the LGSO consultants that worked with him in each city and know the local situation better than anyone else. The list of LGSO consultants assuming responsibility for Mr. Parasuyk’s cities is provided below.

| # | LGSO Name | Cities |
|---|-------------------|---|
| 1 | Halyna Vasylenko | Izmail, romny, Konotop, Sumy, Yuzhne, Mykolaiv, Drohobych, Kalush |
| 2 | Oksana Fedorovych | Ivano-Frankivsk |
| 3 | Ihor Hirschak | Pervomaysk, Ternopil |
| 4 | Vasyl Kashevsky | Rivne, Lutsk, Kovel |

G. Status of Budget Expenditures

| | |
|---------------------------------------|-----------------|
| Contract Budget (per Modification 7): | \$12,864,274.00 |
| Obligated Funds (per Modification 9): | \$11,921,355.00 |
| Expenditures thru March 2008: | \$11,053,621.72 |
| Balance of Obligated Funds: | \$867,733.28 |

H. Activities Planned for Next Quarter

Task 1: Participating City Selection Process. LED does not anticipate selecting any more target cities for strategic planning work. The Project will consider applications for assistance from non-target cities on a case by case basis and may choose to provide funding for LGSO consultants to work with a number of applicant cities. LED will only consider cities willing to cost-share LGSO consultant fees with the Project.

Task 2: Building Ukrainian Capacity.

Sub-task A: Municipal LED Toolkit

In accordance with the Work Plan for 2008, LED is supposed to draft for more tools for Volume II of the LED Toolkit titled “Implementing Your LED Strategy: Tools for Success” before the end of the year. At least one tool will be published during the next quarter.

Sub-task B: Building LGSO Capacity

LED’s LGSO consultants will continue supporting strategic planning activities in 5 target cities in cooperation with the Project’s LED Advisors. They will also independently facilitate

strategic planning in about 20 non-target cities - municipalities that applied to LED for assistance but were not chosen as priority sites - ensuring the “spread” of strategic thought and action for economic development throughout the country. Several members of the current group of trained LGSOs will provide implementation assistance to cities that have already adopted strategic plans for economic development.

Task 3: Strategic Plan Development. LED will work with partner cities to facilitate the adoption of strategic plans in the Wave 4 cities of Poltava and Artemivsk. It will also continue strategic planning efforts in Wave 5 cities of Alchevsk, Izmail, Krasnoperekopsk, Sevastopol and Cherkasy. The Project anticipates that at least one target city strategic plan will be adopted next quarter.

Task 4: Implementation of LED Strategic Plans. LED will continue providing legal, FDI, and other consulting implementation support to its partner cities with emphasis on addressing issues common to a number of cities and implementing activities that create jobs and increase investment. The LED Innovation Fund will help cities prepare Innovation Fund requests and process applications for strategic plan project implementation according to LED Project procedures.

Task 5: Legal and Regulatory Reform. LED’s Legal Advisor will monitor legislation regulating land relations and investment attraction in Ukraine and prepare recommendations for Project partner cities on how to apply the legislation while developing and implementing city strategic plans. Additionally, he will participate in working groups to develop draft laws and other pieces of legislation in support of local economic development and represent the Project at various relevant public events.

Task 5: Support to Legal Aid Centers. LED anticipates that all tasks with respect to the liquidation of IPZUS, the legal aid NGO, will be completed next quarter.

Task 5: Foreign Direct Investment. LED will complete the fourth cycle of the Training Program for FDI Professionals with final exams and a graduation (certification) ceremony to be held on April 24, 2008. It will also launch the fifth and last cycle of the FDI Training Program. The FDI team will provide on-demand FDI assistance to partner cities and regions, especially to pursue investment prospects, and will continue collecting and verifying data for the web database of investment opportunities.

Task 6: Regional Economic Development Support. LED will develop a full concept and schedule for the regional competitiveness project and select a region for the pilot initiative based on careful economic analysis and in close consultation with USAID.

Task 7: Information Dissemination. The Project will continue updating its website on a regular basis with local economic development news from Ukrainian cities, Project events, activities and successes, LED and FDI training materials, partner city information, potential investment sites, LED tools, and other information useful to Project partners and investors. LED’s communications team will also publish the LED e-Monitor on a periodic basis and support Project media events. At the request of its partner cities, LED will use the new virtual tour technology to help promote local tourism and investment assets to the international community.

I. Other Issues Affecting Project Progress

There are no other issues affecting project progress at this time.

ANNEX A

MAP OF LED PARTNER CITIES



ANNEX B

LED INTERMEDIATE RESULTS REPORT

INTERMEDIATE RESULTS REPORT,
Period: 1st quarter 2008.

331 activities grouped for 14 cities (1st Wave – 1 city, 2nd Wave – 5 cities, 3rd Wave – 3 cities, 4th Wave - 4 cities, 5th Wave - 1 city):

IR 4.1 — Increased autonomy and responsiveness of local self-governance.

| # | City | Activity | Type |
|----|-----------------|---|-------------|
| 1 | Ivano-Frankivsk | On February 3-4, an international forum was held hosting representatives of 8 foreign embassies and 5 consulates in Ukraine. An international investment forum is planned to be held in May 2008 | Qualitative |
| 2 | Ternopil | The city has designated premises for the one-stop-shop; currently they prepare the future office for major repairs. | Qualitative |
| 3 | Ternopil | The standing committee is working on the selection of new projects related to SME support. | Qualitative |
| 4 | Ternopil | A work group was created to develop the City Statute. | Qualitative |
| 5 | Kupyansk | Funding for 2008 in the amount of UAH138.25 thou was approved to adjust the City General Plan. | Qualitative |
| 6 | Kupyansk | The Kharkiv National Academy of Municipal Affairs developed a program for the development, modernization and rehabilitation of the heating supply system approved by the city rada on March 18, 2008. | Qualitative |
| 7 | Pervomaysk | On January 15, 2008 the city rada approved the "Program for Pervomaysk Economic and Social Development for 2008" with the development of a new Master Plan as one of its key objectives. | Qualitative |
| 8 | Pervomaysk | Currently the city is examining the possibility to implement a project by the Mykolaiv Shipbuilding University regarding the development of the research and innovation complex. | Qualitative |
| 9 | Pervomaysk | The city designed a business project on the set up of the research and innovation complex. Among the participants are city rada, Shipbuilding University, research centers, financial institutions, companies, SMEs. | Qualitative |
| 10 | Pervomaysk | On February 25, 2008, Deputy Mayor Malishevsky approved a training plan for the staff of economic department including training sessions conducted by the Mykolaiv Oblast Employment Center and AUC seminars. | Qualitative |
| 11 | Pervomaysk | Draft marketing materials were developed. | Qualitative |
| 12 | Pervomaysk | Funds for the production of marketing materials will be designated at the time when changes will be made to the current 2008 budget. | Qualitative |
| 13 | Pervomaysk | In Q1, 2008 the city conducted six agricultural fairs in which farmers of the Raion of Pervomaysk took part. The city studied best practices in the fair management accumulated by the city of Voznesensk and Uzhnoukrainka. | Qualitative |
| 14 | Pervomaysk | The school system operates 24 specialized groups of 10-11th grades. All students of 10th grade are introduced to the Basics of Economics; local gymnasium offers a vocational class entitled «My Career» and « The Basics of Career Options». | Qualitative |
| 15 | Pervomaysk | City schools conduct seminars and round tables on the quarterly basis. The unit of youth and sports develops seminar and round table schedule to be conducted at the local higher education establishments. | Qualitative |

| # | City | Activity | Type |
|----|------------|--|-------------|
| 16 | Pervomaysk | City executive committee reviews a possibility to built a neighborhood at Kamianomostivska St. In 2008, the city met on 3 occasions with the representatives of banks, the department of architecture, land resources, housing/municipal affairs, technical infrastructure units to discuss investment attraction and mortgage. | Qualitative |
| 17 | Pervomaysk | To implement a presidential decree on the construction of affordable housing in Ukraine, the city rada designated a land plot at Rodimtsev's Hvardiytsi St. to construct two municipal multifamily houses. | Qualitative |
| 18 | Pervomaysk | At the current stage, the city is working on the inventory of the waiting list of individuals registered for municipal homes. | Qualitative |
| 19 | Pervomaysk | To implement an efficient mechanism for investment attraction in the communal infrastructure development the city rada studied best practices of such cities as Kyiv, Alchevsk, Nova Kahovka and Berdiansk. | Qualitative |
| 20 | Pervomaysk | In Q I, 2008 the city concluded 16 agreements worth of UAH 40.9 thou regarding infrastructure development, UAH 35.5 thou was already received. | Qualitative |
| 21 | Pervomaysk | The city Employment office continuously provides managerial and financial assistance to local companies in creating new jobs. | Qualitative |
| 22 | Pervomaysk | Local government organizes meetings of the Coordination Committee on Employment Promotion at which Employment Center staffs are regular guests. During the reporting period 3 such meetings took place. | Qualitative |
| 23 | Pervomaysk | The Pervomaysk City Employment Center supporting those who are willing to engage in business activity organizes retraining process based on the program entitled "Organization of management at the medium-sized companies" and "Organization of small businesses". In 2007, 17 individuals were retrained. | Qualitative |
| 24 | Pervomaysk | As of April 1, 2008 the total number of businesses is 5893, which is by 513 or 9.5 % more than as of April 01, 2007; the number of small companies fell by 17 (9.3 %) and constitutes 165 units; the number of physical persons -business entities increased by 530 (10.2 %) and constitutes 5728. The total number of operational small businesses is 873.3 against 795.9 in 2007 per 10.000 residents. In February 2008, a report on the status of small business development was delivered for the SME reps. | Qualitative |
| 25 | Pervomaysk | In Q I, 2008 the first meeting of the coordination board on business development took place in Pervomaysk. | Qualitative |
| 26 | Pervomaysk | The city developed an outlay of public catering facilities. As of April 1, 2008 there were 75 such facilities of which: 3 bars, 24 cafes, 29 snack bars, 12 cafeterias, and 7 canteens. | Qualitative |
| 27 | Pervomaysk | The department of youth and sports together with the NGO "Tourist Club "Romantic" organizes seasonal events according to the schedule. The city hosted a family sports competition entitled "Daddy, Mummy and Me is a Tourist Family" , an open orienteering cup, a tourism technique competition dedicated to the International Tourism Day , etc. Annually the city hosts around 200 contests (this activity is supervised by the department of education), festivals, etc. In 1Q 2008, the city conducted 50 contests and a festival of youth fire brigades from among school students. | Qualitative |
| 28 | Pervomaysk | As of January 1, 2008 4 credit unions were operating in Pervomaysk: "Svitovyd", "Norma", "Olvia", and a farmers credit union. Olvia was set up in 2007. | Qualitative |
| 29 | Pervomaysk | In 1Q 2008, the city engaged in the information campaign for the residents of house # 9 B at Radianska St willing to set up their association of apartment owners. | Qualitative |
| 30 | Pervomaysk | On February 15, 2008 the National Shipbuilding University of Mykolaiv presented a draft of the modernized municipal heating system. The University was represented by its Vice President Mr. Kharytonov. Among the guests were local rada deputies, Deputy Mayor Mr. Plohuta, LED expert Mr. Popok, etc. It was decided that the University students from Pervomaysk will be invited to finalize the project. The project | Qualitative |

| # | City | Activity | Type |
|----|------------|--|-------------|
| | | <p>budget nears UAH 150.0 thou. The deadline is October 2008. The project will consist of :</p> <ol style="list-style-type: none"> 1. Analysis of the current status; 2. Heating needs; 3. Reconstruction measures with the best use of the existing pipes; 4. Heating network capacity estimates; 5. Technical and economic parameters of the heating system; 6. Computation of the potential development of the heating system providing reliable heat supply and efficient use of energy resources. <p>The Project budget proposed by the National Shipbuilding University (UAH 150, thou) is lower than that proposed by the cost estimates prepared by the OSC Project Research Gas, Heating and Beautification Institute (UAH 240 thou).</p> | |
| 31 | Rovenky | To facilitate business development and public business associations, the city executive committee amended rules on the city coordination committee on business development by its decision of 19.02.2008 №37 | Qualitative |
| 32 | Rovenky | The city developed and approved the coordination committee work plan for 2008. in Q1 2008 the committee met once (01.02.2008r.) Information about the meeting was placed on the official web-site of Rovenky city rada (http://rov.loga.gov.ua) and in mass media. | Qualitative |
| 33 | Rovenky | The economic and municipal property unit of Rovenky city rada and Rovenky printing house prepared a make up of the reference book | Qualitative |
| 34 | Rovenky | In Q 1, to implement a resolution approved by participants of the Forum "Business and Power are Partners" of January 31, 2008 the city completed monitoring of effective by-laws: each conclusion was checked for the compliance with the state regulatory policies (of 19 by-laws 2 are to be revised and one was cancelled) | Qualitative |
| 35 | Rovenky | In Q 1 2008 the city analyzed local resolutions approved in 2006-2007 to identify those that are out of step with the Law of Ukraine on the basics of regulatory policies guiding economic activities. | Qualitative |
| 36 | Rovenky | According to the SME development program working group meets on a semiannual basis. | Qualitative |
| 37 | Rovenky | Business development and support unit was made responsible for investment promotion. | Qualitative |
| 38 | Rovenky | The city collected regulatory documents on investment activities. | Qualitative |
| 39 | Rovenky | The city collected information on investing and prepared a list of documents necessary for the registration of foreign investments | Qualitative |
| 40 | Rovenky | Local newspapers printed interviews with prominent individuals and offered legal advice on municipal housing affairs. | Qualitative |
| 41 | Rovenky | City developed Instruction on the set up of the apartment owners associations based on the effective legislation. | Qualitative |
| 42 | Rovenky | In Q1 2008, the city approved new tariffs for transportation of solid waste in accordance with the effective legislation | Qualitative |
| 43 | Chernivtsi | In March 2008, together with the Ukraine's Association of Journalists "Ukraine Tourism Press Club" the city organized a mass media tour in Chernivtsi and across Bukovyna. This event consisted of meetings, guided tours, and a press conference. A comprehensive promotion tour has been planned for big tourist companies from East Ukraine. Reps of the city rada and the association "Tourist Bukovyna" presented Chernivtsi at the international exhibitions: February 29 in Lodz (Poland) - at a fair "At the Cross Roads of Cultures"; on March 6 in Niredgazi (Hungary) at a tourism exhibition "Vacation". City prepared marketing material for its 600 th anniversary: a booklet "Chernivtsi" in Ukrainian and English and a gift set "Chernivtsi-600". The booklet contains tourism-related information (about the city, a map of the downtown area, a list of hotels, restaurants, entertainment centers, etc. Printed in: Ukrainian, Russian, German, English and Romanian). It is expected that all hotel visitors will be offered this booklet in 2008 –2009 free of charge. | Qualitative |
| 44 | Chernivtsi | Tourism portal was translated into English; Russian and German versions are being finalized. | Qualitative |

| # | City | Activity | Type |
|----|------------|--|-------------|
| 45 | Chernivtsi | The city is implementing an investment project to introduce innovation mechanisms to engage community members and businesses in the housing and communal services reform and to safeguard the Chernivtsi historical center in the context of its 600-th anniversary. This work envisages the improvement of living environment of the patios at Kobylanska St., the central square and a coffee shop in the German Peoples Home. | Qualitative |
| 46 | Chernivtsi | In partnership with the Tourism Center the city trains guides for the celebration of its 600-th anniversary. | Qualitative |
| 47 | Chernivtsi | City approved signage samples to be installed on 30 architectural monuments in Chernivtsi and concluded agreements for their production. | Qualitative |
| 48 | Chernivtsi | To coordinate activities aimed at investment attraction in the key economic sectors city established contacts between the investment unit and city rada executive bodies. In cooperation with the department of culture the city tendered reconstruction and restoration of the former "Ukraina" movie theatre. In partnership with the urban construction and land relation department city tendered construction of a multistorey hotel with underground parking in the city center. | Qualitative |
| 49 | Chernivtsi | City is working on a new partnership instrument "Ukraine-Romania-Moldova " to obtain technical support and implement projects of local priority. City reps had a meeting with the reps of German company GTZ, and identified the key areas for cooperation. The city is continuously working on promoting cooperation with such international organizations as OECD, EU reps in Ukraine and the USAID. | Qualitative |
| 50 | Chernivtsi | City has identified economically feasible projects consistent with the city priorities that should be marketed among investor community. City monitors activities aimed at the presentation of the city investment opportunities, projects, and advantages of investing in Chernivtsi. City rada official web-site regularly releases and updates invitations for local businesses to take part in such activities. | Qualitative |
| 51 | Chernivtsi | City communal enterprises provide organizational and methodological assistance in the preparation of development strategies, in developing strategic vision of companies, raising their investment attractiveness and formulating investment proposals. In order to prepare investment projects and promote investment proposals of local and foreign companies the city prepared a multi-language questionnaire for the registration of investment proposals. Investment proposals are posted on the official web-site. | Qualitative |
| 52 | Chernivtsi | City prepared a package of marketing materials in several languages including already published investment passport in English and German, investor map in Ukrainian; English version is being currently prepared; electronic versions of promotion materials were posted on the city official web-site and on CDs. | Qualitative |
| 53 | Chernivtsi | City regularly engages in monitoring of investment events, projects, best practices, development tendencies pertinent to global companies in competing cities; it strengthens ties to facilitate information and knowledge exchange. On March 26-28, 2008, city rada in partnership with the USAID sponsored LED project hosted a seminar on the implementation of SP where best practices and applications of Chernivtsi and competing cities were highlighted. | Qualitative |
| 54 | Chernivtsi | City is studying opportunity to create a data base about the provision of consumer and industrial goods and commodities by local companies. City reps are working to strengthen relations with trade missions of foreign countries and potential investors engaged in priority areas and investing in Ukraine who have recently joined the EU with the goal of setting up a data base to support investment projects. | Qualitative |
| 55 | Chernivtsi | City is preparing a project entitled "Creating necessary conditions for the functioning of the municipal industrial zone in Chernivtsi under the framework of the All-National Contest of Local Government Development Programs. | Qualitative |
| 56 | Chernivtsi | City is examining a possibility for the application of the system of incentives for those investing in adjacent sites under the framework of the municipal industrial zone design project. | Qualitative |
| 57 | Chernivtsi | Local mass media and official city web-site report news about benefits of investing in city economy and creation of a municipal industrial zone. | Qualitative |
| 58 | Chernivtsi | City is examining opportunities of implementing marketing and aftercare services in connection with the participation in the All-Ukrainian | Qualitative |

| # | City | Activity | Type |
|----|--------------------|--|-------------|
| | | Contest of Local Government Development Programs. | |
| 59 | Chernivtsi | In February 2008 Coordination Council on Business Development reviewed the implementation of the SMEs Development Program in 2007. | Qualitative |
| 60 | Chernivtsi | In March 2008, City organized a seminar dedicated to the implementation of SP in Ukrainian cities, participating in the LED project. The seminar was attended by over 70 cities reps from all Ukraine's regions. The seminar was organized by Chernivtsi city rada, the AUC and assisted by the USAID. City delivered a presentation of its departments. Reps from other Ukrainian cities were introduced to the operations of the Chernivtsi Tourism Information Center, auction practices, and took part in the award ceremony to honor city economic development leaders. In 2008 city conducted a round table to discuss a draft by-law on shipment of goods to stores and restaurants located in the downtown area. It was attended by the reps of businesses, economic department staff, housing and communal services department and the city consumer protection center. According to the 2008 calendar plan , Chernivtsi organized a March fair entitled "A Spring Gift". Small companies participated. | Qualitative |
| 61 | Chernivtsi | City is studying experience of the city of Lutsk in the area of local borrowing. | Qualitative |
| 62 | Chernivtsi | City is actively working with the Employment Office, employers and Trade Unions to legalize jobs and provide employment that offers decent salaries and good working conditions. City reached an agreement with Business Center to conduct in 2008 a set of training for small businesses on management. As a part of the Competitiveness Strategy enhancement effort local government cooperates with educational establishments in providing on-the-job-training for local higher education students. | Qualitative |
| 63 | Chernivtsi | City is currently considering the set up of a business incubator in Chernivtsi to assist new entrepreneurs open their own businesses. | Qualitative |
| 64 | Chernivtsi | City is working on the feasibility of creating a technological and industrial park in Chernivtsi. Currently city is looking for a land plot to bring in a strategic investor. In March 2008, investor purchased a land plot of 1.2237 ha located in the industrial zone and designated for manufacturing and warehouse premises. | Qualitative |
| 65 | Kamyanets-Podilsky | City conducted a contest called THE SEVEN WONDERS of the KAMYANETS-PODILSKY. A video highlighting the major nominations was produced by a local team. Organizers prepared a media project about seven wonders of K-P consisting of a DVD and a booklet. | Qualitative |
| 66 | Kamyanets-Podilsky | Together with the National Park «Podilsky Tovtry» the city prepared and submitted materials for the all-Ukrainian contest THE SEVEN WONDERS of UKRAINE. | Qualitative |
| 67 | Kamyanets-Podilsky | City developed rules and announced a contest for the best investment project dedicated to the construction of the city tourism infrastructure entitled «The City of the Future» | Qualitative |
| 68 | Kamyanets-Podilsky | City developed rules and announced a contest for the best young professional in tourism industry among young professionals of K-P. | Qualitative |
| 69 | Kamyanets-Podilsky | City prepared agreement on cooperation in tourism sector between city government, raion rada and administration. | Qualitative |
| 70 | Kamyanets-Podilsky | Continuing to implement a program «City Signage», the city developed a design of external information carriers and completed a media project «Kamianets Festival – 2007». | Qualitative |
| 71 | Kamyanets-Podilsky | City drafted a 2008 schedule for the implementation of the joint Polish-Ukrainian project on youth exchange with the city of Zaverche. | Qualitative |
| 72 | Kamyanets-Podilsky | A new hotel «Staryi Bank» was opened. | Qualitative |

| # | City | Activity | Type |
|----|--------------------|---|-------------|
| 73 | Kamyanets-Podilsky | City together with the Employment Center conducted a round table on the enhancement of business activity in K-P assisted by local government, the Employment Center and NGOs. | Qualitative |
| 74 | Kamyanets-Podilsky | City issued 13 permits to retailing companies and service providers. | Qualitative |
| 75 | Kamyanets-Podilsky | Business support coordination council meets on a regular basis. | Qualitative |
| 76 | Kamyanets-Podilsky | Coordination council on market place operations meets regularly. | Qualitative |
| 77 | Kamyanets-Podilsky | City is getting ready for the V International Investment Forum entitled «Tourism and Recreation Potential of the Dnister Region». K-P and Novo-Ushytza raion of Khmelnytsk Oblast, Hotyn, Kelmenets and Sokyriantsi raions of Chernivtsi oblast will take part in this event. | Qualitative |
| 78 | Kamyanets-Podilsky | City Investment Council meets on a monthly basis. | Qualitative |
| 79 | Kamyanets-Podilsky | City provides marketing support to the investment/industrial park project and is looking for potential investors. To implement the project, the city partners with a number of investment funds and developers. | Qualitative |
| 80 | Kamyanets-Podilsky | City provided assistance to the rating agency «Credit Rating» to upgrade a previously awarded rating (2007). | Qualitative |
| 81 | Kamyanets-Podilsky | City approved a 2008 program of socio-economic development. | Qualitative |
| 82 | Ivano-Frankivsk | As of 01.04.2008, the city of Ivano-Frankivsk has official relations with 18 foreign cities, the city maintains partner relations with 26 foreign cities. Economic, tourist, investment, and cultural potential of the city has been presented in the Polish cities of Khshniv, Svidnica, Zheshuv, Liublin, Ribnik, in Romanian Baya Mare and Brashov, Latvian Elgava and Lithuanian Vilnius, Trakai. Jointly with the Western Ukrainian Agency for external investments, a directory "Business in Ivano-Frankivsk" was published with information about industrial enterprises, bank institutions, hotels, tourist agencies. Information about economic potential of the city is published in a directory "Cities of Ukraine: business potential", a Ukrainian almanac "Leaders of progress". Information about the city was sent to embassies, representative offices of Europe and Asia in Ukraine, embassies of Ukraine in the EU countries and other foreign states. | Qualitative |
| 83 | Ivano-Frankivsk | The investment and economic potential of the city of Ivano-Frankivsk in cooperation with the Chamber of Commerce and Industries has been presented at meetings in Vilnius (Lithuania), and Baya-Mare (Romania). Representatives of municipalities of France, Italy, Hungary, Romania and Ukraine came to the Romanian city of Baya Mare to exchange ideas and suggestions on cooperation with the purpose of engaging and effective introduction of projects that are financed by the European Commission. The Baya Mare meeting resulted in a number of agreements on development of grant projects within the framework of the Transborder Cooperation Program in 2007-2013. Presentation of our city also drew interest of the President of the Association of Chambers of Commerce «Europa Orientale». The city participated and presented its economic development and investment opportunities at the VIIth European economic forum in the city of Liublin, which presentation was used to develop the Strategy of transborder cooperation Liublin-Lutsk-Lviv-Ivano-Frankivsk in 2007-2016. During the XIth International Svidnica Fair (Poland), a meeting was held with Polish businessmen in the Chamber of Commerce in the city of Svidnica, and industrial areas of the city were visited. | Qualitative |
| 84 | Ivano-Frankivsk | Economic life of the city, investment offers, including in tourism industry, were presented in the city of Zielona Gura (Poland). Also, the city has been presented at domestic forums, including the IVth Fair of Investment Projects and the International scientific practical seminar "Investment and industrial parks as a form of attraction of investments to the economy of the region" (City of Kamyanets-Podilsky), and at | Qualitative |

| # | City | Activity | Type |
|----|-----------------|--|-------------|
| | | the Boykivsky regional investment forum (City of Bolekhiv). | |
| 85 | Ivano-Frankivsk | On the basis of the Ukrainian-Canadian JV "MBERIF-Business-Center" a business incubator of the office type was established, where businessman and small enterprises could use premises, means of communication, office services, equipment and assistance of specialists. | Qualitative |
| 86 | Ivano-Frankivsk | In 2007, the city established a trilateral social economic council, Board of directors, advisory board of enterprises' heads chaired by the Mayor, membership of the Businessmen Council has been updated. Meetings of the above entities deliberate issues of economic development of the city. | Qualitative |
| 87 | Ivano-Frankivsk | Information about activity of industrial enterprises of the city is constantly provided on electronic and paper carriers to representatives of foreign firms and companies, appropriate offices of embassies of foreign states, trade and economic missions of Ukraine abroad, specialized international associations, chambers of commerce, etc. | Qualitative |
| 88 | Ivano-Frankivsk | An investment project "Administrative office complex with built-in office premises, trade premises and a hotel at the crossing of S.Bandera and T.Tsokler Streets" has been developed, where an exhibition center will be located. | Qualitative |
| 89 | Ivano-Frankivsk | During the reported period, the Program of development of tourism infrastructure of the city of Ivano-Frankivsk for 2007-2011 was implemented. In particular, it contains a section "information and marketing policy". The City Association of tourism firms has been created. | Qualitative |
| 90 | Ivano-Frankivsk | Activities took place according to the program of tourism development in the city. Tourism firms of the city participate in tourism exhibitions, fairs, forums in Ukraine and abroad. The cooperation has been developed to organize exchanges of children and young people with many cities. In particular in the 2nd quarter 2007, Ivano-Frankivsk was visited by groups from Kshaniv (Poland), Opole (Poland). Delegations of Ivano-Frankivsk visited Kshaniv (Poland), cities of Warsaw and Swidnica. Ivano-Frankivsk was visited by a group of children from the partnered city Ribnik, and in May, within the framework of the City Day celebration, a group of sportsmen from the city of Melec (Poland) had several competitions with local teams. In June 2007, Ivano-Frankivsk hosted in a suburban health complex «Limnitsa» a group of schoolchildren from the city of Antakaln (Lithuania). Developed cooperation with international entities on attraction of international technical assistance, in particular joint projects have been implemented together with the Eurasia Foundation. | Qualitative |
| 91 | Ivano-Frankivsk | Works are conducted to improve the existing recreational areas, cultural and tourism centers: a) in the city on the banks of the Bystritsa river; b) near the village of Posich, c) in the village Vovchyntsi to arrange the locations for people to spend their weekends there. | Qualitative |
| 92 | Ivano-Frankivsk | The network of bicycle tourist routes is extended in the city; a new bicycle route was opened in the «Kozak Dolyna» in the village Vovchyntsi. | Qualitative |
| 93 | Ivano-Frankivsk | The information publication – a tourist guide "Ivano-Frankivsk through ages; 1662-2007" is being developed. A CD "Ivano-Frankivsk" has been developed; it contains a video film on tourism opportunities of the city. To improve the information environment for tourists, visitors of the city, a map of the city was installed in the downtown area of the city. Work is being conducted to install a map of the city and landmarks at the railway station. In February 2008, there was a presentation of a tourism film. New tourism publications were released: a catalogue "Tourism offers in Ivano-Frankivsk" and a guide-book "Ivano-Frankivsk - a city in the heart of Europe". Work has begun to develop a presentation disk «Ivano-Frankivsk» and together with a public organization «Ivano-Frankivsk tourism association» to develop a tourism catalogue «Carpathians-2008». | Qualitative |
| 94 | Ivano-Frankivsk | New Centers of tourism information were opened at a tourism complex "Bukovel", cities of Rogatyn, Yaremcha, and Nadvirna. It is planned to open a Center of tourism information at the railway station. | Qualitative |
| 95 | Ivano-Frankivsk | The energy conservation project "Innovative introduction of the modernized system of optimal use of energy carriers in heating" of the «Ivano-Frankivsk Heat and Energy Enterprise» of the total value of UAH1,000,000 is being implemented. The project was the winner of the All-Ukrainian competition of projects and programs for development of local government in 2006. The state budget granted UAH450,000 to support its implementation. The city developed an energy saving project «Improvement of water-supply for the city of Ivano-Frankivsk by | Qualitative |

| # | City | Activity | Type |
|-----|-----------------|---|-------------|
| | | introduction of innovative technological system of provision and distribution of drinking-water», which became a winner of the All-Ukrainian competition of projects and programs for development of local government in 2007. In 2008, the state budget will provide financing in the amount of UAH 500,000 for the project. The international investment forum is planned to be held in May 2008 to present investment projects, and technological innovations. | |
| 96 | Ivano-Frankivsk | In order to inform the public on collection and processing of garbage, some information materials were released, in particular: news-letters, booklets, postcards, and comics. Distributions of information on separation of garbage was carried out by word of mouth, organization of public discussions, meetings with collectives and neighborhoods, public actions "Crush the packing", "Disposer for each building", city competitions "Best neighborhood" and "Clean yard", among school students "Clean city – as seen by children". In addition, the progress of the Project and successive implementation of the planned measures were covered by media, including in printed media. As a result of the campaign, the information about the necessity of separate collection of solid wastes reached over 100 thousands of citizens. The project "Support of effective management of separate collection of solid domestic wastes in Ivano-Frankivsk and the region" was developed and submitted to the competition of projects of the Neighborhood Program Ukraine-Romania in view of the experience of the city of Baya Mare, Maramuresh (Romania). The project envisages financing to solve the problem of municipal garbage in the amount of over EUR 1.5 million. | Qualitative |
| 97 | Drohobych | Developed the Program of development of tourism and promotion of the city of Drohobych for 2008, approved by the City Council (decision of the Drohobych City Council of 18.03.2008 #533). | Qualitative |
| 98 | Drohobych | Program of development of tourism and promotion of the city of Drohobych for 2008 includes creation of the Tourism Information Center with 2 employees. | Qualitative |
| 99 | Drohobych | Developed the Regulation and Charter of the communal enterprise the «City Tourism Information Center» and submitted for consideration by the City Council commissions for discussion and approval by the City Council. | Qualitative |
| 100 | Drohobych | In March 2008, the decision of the City Council has been approved «On changes to the decisions of the session of 26.12.2006 #148 «On approval of the executive structure of the Drohobych City Council, number of employees, and related expenses in 2007» and of 08.10.2007 # 400 «On changes to the decision of 26.12.2006 #148 « On approval of the executive structure of the Drohobych City Council, number of employees, and related expenses in 2007», according to which on April 1, 2008 the department of economic development of the executive committee of the Drohobych City Council was formed and the number of its officers (3) and its regulation were approved. | Qualitative |
| 101 | Mykolaiv | The department on entrepreneurship jointly with the state tax service with participation of public associations of businesspeople held several seminars "Changes in the tax legislation"; similar work was conducted jointly with the employment centers on the topic "How to start one's own business" | Qualitative |
| 102 | Mykolaiv | At the Mykolaiv section of the "Business movement of young people", an information "hot line" was established. Within the framework of realization of the Program, the ongoing operation of the "hot line" has been ensured in the city of Mykolaiv at 35-97-97; consulting of business entities covers legal issues, banks' loans and provision of information during planned and random inspections by controlling and law-enforcement authorities. | Qualitative |
| 103 | Mykolaiv | By the end of the quarter, 19 associations of joint home owners in apartment buildings were established, including 8 in the municipal buildings, 6 - in new buildings, and 5 - re-registered building committees. To solve issues, related to operation of the associations, the city organization of home owners was established and registered in the established order, the organization's board has been elected. Mass media publish articles and broadcast TV programs about experience of the already created associations and their advantages in maintenance of housing. | Qualitative |
| 104 | Yuzhne | In the 1st quarter 2008, more than 100 consultations were provided by the permission center, 37 permits have been issued. | Qualitative |
| 105 | Yuzhne | Distribution of trade outlets, restaurants and services is conducted. The uniform database of the state registration. | Qualitative |

| # | City | Activity | Type |
|-----|---------|---|-------------|
| 106 | Yuzhne | The newspaper "Novyny Yuzhnogo" started a page for entrepreneurs. | Qualitative |
| 107 | Yuzhne | Studied experience of business support foundations in the cities Izmail and Illichivsk. | Qualitative |
| 108 | Yuzhne | Developed a draft regulation of the Business Support Fund in Yuzhne; it was not supported by the councilors' commissions. A public organization for small business support in Yuzhne has been established | Qualitative |
| 109 | Yuzhne | It was held. The city of Yuzhne has a land plot of 12.74 hectares. In 2007 and in the beginning of 2008, a proposal was examined concerning location of a tannery (at a meeting of the city council, a feasibility study was discussed). Currently, there is a proposal from the Japanese company JTEKT Europe (with assistance of the Ukrainian Center for Support to Foreign Investment) to start a factory manufacturing steering controls and cardan gears for cars. On the stage of consideration. | Qualitative |
| 110 | Yuzhne | The local budget 2008 allocated UAH 1.0 mn for development of the Master Plan. Decision of the Yuzhne City Council of 26.04.2007 #317-V "On approval of the technical feasibility study for expansion of the city's territory". | Qualitative |
| 111 | Yuzhne | Developed a strategic development banner, booklets, bulletins, video materials. | Qualitative |
| 112 | Yuzhne | According to the decision on allocation of a land plot, enterprises of the city plan to construct multi-section apartment buildings 4a, 4b, 4c, 4d in the 2nd neighborhood (Construction Development LLC); buildings 8a, 8b, 8c, 7d, 2b, 3c, 5a, 11 in the 2nd neighborhood (MTP Yuzhny); buildings 1d, 2a, 3a, 5b, 7a, 7b, 7c, 9a, 9b, 10 in the 2nd neighborhood (JSC "Odesa Priportovy Zavod"), 16-floor building 1d in the 2nd neighborhood ("VOGEBORA" LLC). Continued construction of the 7 section apartment building 6a in the 2nd neighborhood ("Yuginvest" LLC). | Qualitative |
| 113 | Yuzhne | Reconstruction of the Central heat plant #21 has been performed, expenses made UAH 507,390, including from the local budget – UAH 66,530. | Qualitative |
| 114 | Yuzhne | Developed the list of measures in 2008: inspection of soil (geological survey for design and construction of waste water treatment of Yuzhne) (the volume of financing in 2008 is planned in the amount of UAH41,000), design of construction of waste water treatment facilities (the volume of financing in 2008 is planned in the amount of UAH49,500), complex environment examination of the design of the water treatment facilities ((the volume of financing in 2008 is planned in the amount of UAH19,000). | Qualitative |
| 115 | Yuzhne | The draft Rules of beautification of Yuzhne is on the stage of feedback analysis. | Qualitative |
| 116 | Yuzhne | A work design has been developed (in 2007 the amount of UAH 27,700 was spent from the local budget). In 2008, for the completion of reconstruction of the playground for ball games (sport arena) it is planned to spend UAH4,908,600 | Qualitative |
| 117 | Yuzhne | The Chornovil Scientific and Production Corporation arranged playgrounds for 2 groups of a local kindergarten at the cost of the local budget – UAH 30,000. | Qualitative |
| 118 | Yuzhne | Registration of documents for the road #4A. In 2007: complex state examination of the design in the amount of UAH11,400, design of motorways on the streets of MIZ (UAH48,500), geodesic works related to construction of the streets of MIZ (UAH8,600). It is planned to carry out in 2008: a land allocation project for construction of the street #4A (UAH30,000); major repairs of sidewalks in the 3rd neighborhood - UAH200,900 | Qualitative |
| 119 | Yuzhne | The issue of providing the city with resort status has been considered. It is impossible to obtain the resort status. It is proposed to exclude this point | Qualitative |
| 120 | Konotop | A meeting was held with participation of the governor and leaders of leading enterprises of the city that resulted in priority measures concerning investment activity | Qualitative |

| # | City | Activity | Type |
|-----|---------|---|--------------|
| 121 | Konotop | Works began to develop a catalogue of investment projects | Qualitative |
| 122 | Konotop | The list of basic presentation materials of the city is being developed to be presented to potential investors | Qualitative |
| 123 | Konotop | Developed an advertising booklet with an investment offer on creation of the Industrial park at the airfield. It is planned to hold a presentation of the offer in Kyiv during the Logistics Exhibition and the city of Turin (Italy) | Quantitative |
| 124 | Konotop | Developed booklets with general information about the city | Qualitative |
| 125 | Konotop | A plan is developed on participation in the events of regional, all-Ukrainian and international levels | Qualitative |
| 126 | Konotop | Learned experience of other cities in the area of housing construction and mortgage loans | Qualitative |
| 127 | Konotop | Researched the market of housing and analyzed needs of users. The city map has been developed with indication of prices of housing and land in different neighborhoods | Qualitative |
| 128 | Konotop | The database of businesses and public organizations has been updated in accordance with the established terms | Qualitative |
| 129 | Konotop | Work continues on development and coordination of the plan of educational activities. The city employment center jointly with the Agency of economic development of Konotop held the following seminars: «Orientation of unemployed on entrepreneurial activity»; «Basics of entrepreneurial activity». In the 1st quarter 2008, 8 such seminars were held attended by 247 persons. In the 1st quarter 2008, the employment center held 9 seminars for employers businessmen. The topics included «Order of conclusion and registration of agreements between individuals and hired workers according to the form #260»; «Consultations on labor legislation»; «Employment. Unemployment insurance. Professional training. Internship at a workplace»; «Order of registration of individual entrepreneurs as payers to the fund». | Qualitative |
| 130 | Konotop | «Business School» trained 30 young persons in the special training programs, they developed business plans that will be presented at the All-Ukrainian competition of business plans of entrepreneurial activity among young people. | Qualitative |
| 131 | Konotop | Priority areas of small business development have been analyzed and identified | Qualitative |
| 132 | Konotop | Business support practice of Ukrainian cities was learned; it is planned to introduce the most successful system of support of business development in the framework of the Municipal Development Center | Qualitative |
| 133 | Konotop | The City Council takes part in the projects of USAID/TIBA Trade and investment support project, Land Zoning, USAID/ LED Project, the purpose of which is simplification of permit and approval procedures in the area of architecture and land relations | Qualitative |
| 134 | Konotop | A draft of a long term Program of tourism development in Konotop in 2007-2010 has been developed | Qualitative |
| 135 | Konotop | Encouragement of potential visitors of the city takes place in a way of invitations and publication of information about the planned regional and city festivals and competitions. In the 1st quarter 2008, the festival "Stars of hope" took place | Qualitative |
| 136 | Konotop | Education of population continued including explaining decisions of the executive committee on tariffs for housing and communal services in media | Qualitative |
| 137 | Konotop | Jointly with the Ukrainian research institute of engineering design the city works on strategic development of urban planning | Qualitative |
| 138 | Konotop | Jointly with the Ukrainian State Research Institute of Urban Planning "Dipromisto", transportation routs are developed for the city taking into account all technical parameters | Qualitative |
| 139 | Konotop | Developed a draft Program of economic and social development of Konotop in 2008-2011, which includes the list of investment projects in the city of Konotop, aimed at solution of priority objectives of economic and social development | Qualitative |

| # | City | Activity | Type |
|-----|---------|--|-------------|
| 140 | Konotop | Learned experience of other cities of Ukraine in the field of attraction of external financial resources for development of housing and communal sphere and communal infrastructure | Qualitative |
| 141 | Konotop | The City Council submitted projects for participation in the long-term special state programs in the housing and communal sphere that will be financed from the state budget | Qualitative |
| 142 | Konotop | Analyzed the issue of establishment and operation of home owners associations. Educational efforts continue to encourage tenants and owners of housing to establish the associations | Qualitative |
| 143 | Konotop | This year, 2 home owners associations were established | Qualitative |
| 144 | Sumy | In 2008, it is planned to spend UAH 38 million from the city budget for improvement of beautification (UAH 31 mn); capital repairs (UAH 5.1 mn), and acquisition of equipment (UAH 0.8 thousand). This will include reconstruction of fountains, underground passages, arrangement and reconstruction of lawns, repair of bridges | Qualitative |
| 145 | Sumy | Investment portfolio was developed within the framework of the IIIrd International investment forum «Investment. Partnership. Development» | Qualitative |
| 146 | Sumy | Municipal property department of the Sumy City Council conducted inventory of the municipal property of the Sumy community in accordance with the order of the city mayor of 18.10.07 # 857-P "On inventory of fixed tangible and non-tangible assets of enterprises, establishments and organizations of municipal property of the Sumy community"; it didn't identify unused buildings suitable for business and investments | Qualitative |
| 147 | Sumy | Promotion of the city continues in accordance with the decision of the Sumy City Council of 23.01.2008 #1176-MP "On changes to the decision of the Sumy City Council of February, 22, 2006 #1674 - MR "On the Program of development of foreign trade and investment activity in Sumy in 2006 - 2010", that stipulates participation of the city representatives in exhibitions, fairs, conferences, forums, etc. | Qualitative |
| 148 | Sumy | Promotion of the city continues in accordance with the decision of the Sumy City Council of 23.01.2008 #1176-MP "On changes to the decision of the Sumy City Council of February, 22, 2006 #1674 - MR "On the Program of development of foreign trade and investment activity in Sumy in 2006 - 2010", that stipulates participation of the city representatives in exhibitions, fairs, conferences, forums, etc. | Qualitative |
| 149 | Sumy | Developed and published a booklet about the city "Welcome to Sumy!" in 1000 copies, in addition published a post card "Sumy Welcomes" in 1000 copies (UAH3,975) | Qualitative |
| 150 | Sumy | Principal objectives to be set forth for the business support center created within the city Business Support Foundation are being developed. | Qualitative |
| 151 | Sumy | Printed 750 copies of the "Business licensing directory" | Qualitative |
| 152 | Sumy | The database of businesses, business associations and civic organizations has been developed and published on the official website of the Sumy City Council | Qualitative |
| 153 | Sumy | Newspapers "Vash shans", "V dvukh slovakh", "Dankor", "Panorama", "Sumskaya zhizn" publish jobs vacancies at the city enterprises. The newspaper "Dialog" publishes information materials on questions of labor legislation, employment, social protection of population. Mass events are held: round tables, seminars, job fairs. | Qualitative |
| 154 | Sumy | In the 1st quarter 2008, 16 unemployed persons received one-time assistance to start a business | Qualitative |
| 155 | Romny | The city will take part in the Vth International investment forum "Investment. Partnership. Development." in Sumy in September 2008. Information on investment opportunities of the city is constantly provided by media. Business entities are invited to regional and international exhibitions and fairs. | Qualitative |

| # | City | Activity | Type |
|-----|-------|---|-------------|
| 156 | Romny | The operative objective of the strategic plan of the city of Romny is development of the web site with the purpose of distribution of information about investment opportunities of the city. On January 10 2008, deputy mayor chaired a meeting on content of the investment website of the city, which will be also published on the web site of the executive committee of the City Council. | Qualitative |
| 157 | Romny | Developed structure of the website "Investment activity of the city". Concluded an agreement with a developer of the website. | Qualitative |
| 158 | Romny | Learn best experience of Ukrainian cities that established home owners associations. On 18.02.2008 with assistance of the TASIC Project "Sustainable territorial development in Ukraine" a seminar on home owners associations was held with participation of the Project's experts and leading experts of Ukraine. The city established 7 home owners associations. | Qualitative |
| 159 | Romny | Employees of the executive committee, divisions, enterprises that provide housing services take part in scientific conferences, exhibitions etc | Qualitative |
| 160 | Romny | The city participates in the TASIC Project "Sustainable territorial development in Ukraine" | Qualitative |
| 161 | Romny | A meeting with the business community took place at the meeting of the Business development Coordination board. The web site and the local newspaper constantly published regulations, regulatory acts, announcements on regional and national fairs and exhibitions. There is a "hot line" available for businesses. A questionnaire is being developed for businessmen on organization of business in the priority areas of development in the city. | Qualitative |
| 162 | Romny | As of 23.04.08, 18 objects of municipal property are developed. 5 objects of real estate that are subject to privatization through purchase (suggested for consideration of the City Council on 24.04.08) and 9 objects that are subject to sale at auctions (approved by the decision of the City Council of 23.01.2008). Lists of objects that are subject to sale and lease are published in the local newspaper "Visti Romenshyny" and on the web site of the city of the executive committee. The register of regulatory acts has been created. The register and the plan of preparation of regulatory acts for 2008 is published on the web site of the Romny City Council. | Qualitative |
| 163 | Romny | The department of business support develops the database of existing businesses. Developed the network of enterprises of trade, pharmacies, hotels, services and restaurants. It also uses information of the statistical reports of small enterprises concerning the main indicators: number of employees, volume of output and sales, average wages and paid taxes. | Qualitative |
| 164 | Romny | Approval of the single tax rates took into account that such types of business as laundering, dry-cleaning and painting are underdeveloped in the city. Therefore the single tax rate is approved in the amount of UAH 70. The average single tax rate in the city and rayon makes UAH148. For implementation of the Program of small business development, funds have been allocated from the budget for recognition of the best businessmen on the Day of businessman and for participation of the best businessmen in oblast and national competitions. | Qualitative |
| 165 | Romny | The administrator of the single permit office of the city of Romny learned experience of cities of Ukraine: Berdyansk, Konotop, Sumy as to introduction of the principle "single application to the 'one-stop shop' ". Learned the mechanism of permit issue that is important for businessmen of the city (permits for seasonal trade, permits for trade in the recreation area etc.) | Qualitative |
| 166 | Izyum | Developed and approved the Regulation on the Coordination council on issues of business and regulatory policy chaired by the city mayor - order of the city mayor #130 of 11.04.2007 | Qualitative |
| 167 | Izyum | Commission on development of small business in the city of Izyum that quarterly discusses and reviews issues of support and development of business | Qualitative |
| 168 | Izyum | Developed and approved rates of the single tax by the decision of the Izyum City Council #1338 of October, 26, 2007 | Qualitative |
| 169 | Izyum | Approved the commission and the Order of partial compensation of loan interests from the city budget for small and medium business in order to realize investment projects, - order of the city mayor #328 of 14.07.2006. | Qualitative |

| # | City | Activity | Type |
|-----|--------|---|-------------|
| 170 | Izyum | Provided services for opening, planning of business and writing business projects for 114 persons. | Qualitative |
| 171 | Izyum | Joint development of the Strategic plan of sustainable development of the territory till 2012, Program of social and economic development of the city of Izyumin 2008, Program of assistance to development of small business in 2007 - 2008 | Qualitative |
| 172 | Izyum | Information on the web site of the city is updated constantly | Qualitative |
| 173 | Izyum | Approved the decision of the Izyumcity council #2043 of 26.03.2008 "On continuation of work on creation of the licensing center" | Qualitative |
| 174 | Izyum | Repair of the premises that is allocated for the licensing center at the address Izium, 54, Soborna Street. In 2008, UAH 44,000 is allocated for repairs | Qualitative |
| 175 | Izyum | Developed materials, released the directory of enterprises, organizations and private firms located in Izyumand the Izyumrayon, and also the information booklet «Guidebook of Izium» | Qualitative |
| 176 | Izyum | Developed the database of business entities as of 01.01.2008 from the Unified state register. | Qualitative |
| 177 | Izyum | In the 1st quarter 2008, work was conducted to take inventory of 6 abandoned buildings. The work continues. | Qualitative |
| 178 | Izyum | Learned experience of other cities in attraction of investments (exchange of experience, seminars, visits to cities and other communication). | Qualitative |
| 179 | Izyum | Developed the structure of the department of industries and economy including specialists on investments. | Qualitative |
| 180 | Izyum | Determined structure of the web site of the city and appointed people responsible for updates of information. Order of the city mayor #059 of 15.02.2008. The renewed agreement on hosting and maintenance of the official web site of the city is pending. | Qualitative |
| 181 | Izyum | In 1st quarter 2008, enterprises created 40 new jobs and registered 184 labor agreements. | Qualitative |
| 182 | Izmail | In 1st quarter 2008, 10 start-up businessmen received one-time assistance for their approved business plans in the amount of UAH35,500 | Qualitative |
| 183 | Izyum | Since 2007, the course of valeology introduced in high schools. All educational establishments introduced the course "Basics of health" | Qualitative |
| 184 | Izyum | Renewed membership of the committee on one-time unemployment assistance for the unemployed people to start entrepreneurial activity and subsidies to employers. Developed the plan of meetings of the commission in 2008. | Qualitative |

IR: Improved management of municipal services and assets. (IR 4.1.1)

| # | City | Activity | Type |
|---|----------|--|-------------|
| 1 | Ternopil | Local government has prepared data necessary for the city to be awarded a credit rating as required by the borrowing procedure. The rating agency is expected to award the rating in Q2, 2008. | Qualitative |
| 2 | Ternopil | PODOLIANY entertainment center was officially opened. | Qualitative |
| 3 | Ternopil | The city kicked off preparation for the III International Investment Forum. | Qualitative |
| 4 | Ternopil | The city provided the Ukrainian State Urban Construction Institute «Dnipromisto» (Kyiv) with source materials necessary for the new Master Plan. | Qualitative |

| # | City | Activity | Type |
|----|------------|---|-------------|
| 5 | Ternopil | The city is studying international practices to reform its municipal communal services. | Qualitative |
| 6 | Kupyansk | The city built 8 new container sites for waste collection. Another 11 are being designed. | Qualitative |
| 7 | Kupyansk | 5 housing committees were elected. City deputies had 11 meetings with the residents of multistorey buildings. | Qualitative |
| 8 | Pervomaysk | City development plan is underpinned by the city Master Plan. | Qualitative |
| 9 | Pervomaysk | The city mayor sent a letter to the Director of the Urban Construction Institute "Dnipromisto" of March 31, 2008 # 1969/16-1 on including the development of a new Master Plan for Pervomaysk to the 2008 Work Plan. The work should be completed by April 01, 2009. and paid for on a step-by-step basis. | Qualitative |
| 10 | Pervomaysk | The city concluded an agreement with the mapping company "ECOMM Co" to prepare cartographic material for the Master Plan. | Qualitative |
| 11 | Pervomaysk | In compliance with the Mayor's resolution of March 05, 2008 #124-p «On the Committee to take inventory of municipal property» the city created work groups and a committee to take inventory of municipal property. As of April 01, 2008 the inventory is in process. | Qualitative |
| 12 | Pervomaysk | The city rada approved a list of municipal property subject of privatization in Pervomaysk on February 29, 2008, № 31. | Qualitative |
| 13 | Pervomaysk | On March 3, 2008, the city took inventory of municipal property of Pervomaysk to be followed by respective activities. The city has created a web-page entitled "Investment Projects" with information about 7 projects at 6 enterprises. Data is continuously updated. | Qualitative |
| 14 | Pervomaysk | The city created a data base of the city innovation potential as of January 01, 2008. | Qualitative |
| 15 | Pervomaysk | By its decision of January 31, 2007 # 16 "On the approval of a new structure and staffing of the city rada and its executive bodies" the organizational structure of the city rada executive committee was changed. A unit of economics and investment was created. By the decision of April 31, 2007 # 22 the by-law on the economic department was approved; Deputy mayor Malishevsky approved a by-law on the department of economics and investment. | Qualitative |
| 16 | Pervomaysk | A business activity unit of the city council was equipped with new equipment. | Qualitative |
| 17 | Pervomaysk | To open a city rada cable Internet network the city paid UAH 23 thou for the project and cost estimates produced by the CSC "TKM" Vsesvit" The network will be installed as soon as funding is made available. | Qualitative |
| 18 | Pervomaysk | As of January 1, 2008 947 people were registered with the Unemployment Office. The total number of vacancies is 205. | Qualitative |
| 19 | Pervomaysk | The public was informed about the labor market situation via mass media, radio, TV and during seminars. | Qualitative |
| 20 | Pervomaysk | A permitting center designed a catalog of procedures regarding the obtaining of permits and licenses which covers the site selection and construction facility, permits for the production of land planning documents, procedure for obtaining a resolution on the approval of land planning documents, registration of lease agreement, project source data, approval of the project for construction works, putting into operation of the completed facility, transfer of residential premises into non-residential and their reconstruction to house non-manufacturing facilities, and procedure for the issuance of permits to undertake retailing and catering operations. | Qualitative |
| 21 | Pervomaysk | To control the quality of restaurant services and protect customers against bad and falsified products, the officer of the consumer protection unit together with the control bodies conducts regular checkups. During Q1, 2008 9 such check-ups were completed (10 retailers and public catering facilities were checked) As a result, 10 individuals were penalized via administrative procedures. | Qualitative |
| 22 | Pervomaysk | On March 26, 2008, the city hosted a seminar with the rep of LLC "SOFTPROEKT" from Kryvyi Rig about how to resolve the key problems existing in the communal services sector of Pervomaysk in such areas as beautification, administration and maintenance of housing based on new know how. The project envisages the creation of the innovative infrastructure and a single information and payment center modeled | Qualitative |

| # | City | Activity | Type |
|----|-----------------|--|-------------|
| | | after the one already operating in Kryvy Rih. Project manager Mr. Popok recommended a draft agreement on the project implementation as well as those guiding the use of the software called "Automated Accounting system 3.1" | |
| 23 | Pervomaysk | The first stage of the program is to be implemented in 2008: meters will be installed, wooden poles will be replaced as well as 893 lights. | Qualitative |
| 24 | Pervomaysk | As of April 1, 2008 the city started the repairs of the road surface at Odeska St., and roads at the cemetery located at Kamianomostivska St. Totally UAH49,809 thou was expensed for the road repairs. As of April 1, 2008, roads of national importance remain under the city control. The city twice brought the issue concerning the transfer of these roads to the national control to the attention of the leadership of the Road Services of Ukraine but the letters remained unanswered. | Qualitative |
| 25 | Rovenky | During Q 1, 2008, 16 business entities applied to the one-stop shop which issued 39 various permits: 1) one conclusion about the site location; 2) conclusion about the land allocation –36; 3) 2 permits to install a small architectural object . 22 consultations were provided for business entities. | Qualitative |
| 26 | Rovenky | To ensure uninterrupted operations of the permitting documents register (installation of the program's working version), the city is currently negotiating an agreement with the state enterprise "The Information Resource Center". Given legislative changes, the city intends to amend currently effective interaction between local permitting bodies, the office administrator and business entities. | Qualitative |
| 27 | Rovenky | One stop shop staff meets regularly every Thursday in Room #1 in the city council executive committee. | Qualitative |
| 28 | Rovenky | To monitor businessmen's requests the city continues to maintain its hotline (5-02-84). All calls are registered in the subscriber's form and consultations are provided by the unit of business development and assistance. Reports about the city hot line are regularly released in mass media. The unit maintains a register of businessmen's requests. | Qualitative |
| 29 | Rovenky | To raise efficiency of the city coordination committee at its meeting which took place in Q 1 2008 it was decided to include more members and amend rules governing the committee's operations. A respective resolution was approved of February 19, 2008 #37 | Qualitative |
| 30 | Rovenky | The city prepared a list of administrative services delivered by the structural units of Rovenky city council and its executive committee. | Qualitative |
| 31 | Rovenky | As of 2008 Rovenky has 5 land plots for the total area of 11.3 ha offered to investors to implement investment projects and 2 industrial sites suitable for lease or purchase. | Qualitative |
| 32 | Rovenky | The city maintains a digital register of vacant municipal premises, free sites and industrial sites. | Qualitative |
| 33 | Rovenky | In 2008 the city approved UAH 150.0 for the program of the city lighting system reconstruction. | Qualitative |
| 34 | Rovenky | The city prepared a budget for the major repairs and construction of a new lighting system. | Qualitative |
| 35 | Chernivtsi | Tourism Information Center processes information on the one-day visits to the City. | Qualitative |
| 36 | Chernivtsi | Feed back is studied in the Tourism Information Center. | Qualitative |
| 37 | Ivano-Frankivsk | As of now, the inventory has been conducted of 95% of lands of the Khyrplin Investment-Industrial Zone. A map of the KIPZ has been developed, and a geodesic survey of the territory of the KIPZ has been conducted. | Qualitative |
| 38 | Ivano-Frankivsk | On the basis of the inventory information, a data base of the non-residential premises of the communal property has been formed; the premises can be acquired or leased by investors. The database provides information about non-residential premises that belong to the communal property of the city and are not leased to legal entities or individuals in accordance with decisions of the city executive committee, including the address of the premises (buildings), their area, location in a building, functional use and technical condition. A database has been also formed that contains objects (non-residential premises) that belong to the communal property and leased to legal entities or individuals. There is a list of communal property that is used free, assigned to teenagers' clubs, assigned to the public order | Qualitative |

| # | City | Activity | Type |
|----|-----------------|--|-------------|
| | | committee, and those that are "in dispute" with the oblast council. The database is permanently updated and complemented. | |
| 39 | Ivano-Frankivsk | The software has been introduced to calculate monthly rents. Information on available premises that belong to the communal property of the city and are offered for lease on the basis of competition or for sale at auction is constantly published in a local newspaper "Zakhidny Courier". The City has introduced competition principles for sale of land plots for construction (auctions, competitions), prepared the necessary regulations for land auctions, and conducted appraisal of the city's land. It approved a decision of the 19th session of the city council of 14.11.2007 on the Program of the land management and establishment of borders of the city of Ivano-Frankivsk. The City started implementation of the municipal GIS. | Qualitative |
| 40 | Ivano-Frankivsk | Work has been done to allocate an additional land plot to the "Ukrainska Domashnia Tekhnika" LLC for construction of production facilities, permits were issued to Tyco Electronics. A construction site is being searched for a new pastry factory to meet modern European standards. | Qualitative |
| 41 | Ivano-Frankivsk | At the meeting, the CHRC distributed the list of necessary professions in the nearest future, and 90% of them are workers. The city employment center introduced new software to analyze current and future (till 2012) needs of the city labor market. | Qualitative |
| 42 | Ivano-Frankivsk | The "Ivano-Frankivsk Heat and Energy Enterprise" made an inventory of areas that need reconstruction, and the "Ivano-Frankivsk Vodoekotekhprom" made an inventory of areas of water and sewer infrastructure that need reconstruction. | Qualitative |
| 43 | Ivano-Frankivsk | The "Ivano-Frankivsk Heat and Energy Enterprise" and "Ivano-Frankivsk Vodoekotekhprom" determine the order of replacement of pipes and developed the plan of infrastructure reconstruction in 2006-2010. | Qualitative |
| 44 | Ivano-Frankivsk | In the 1st quarter, the reconstruction of networks was conducted in accordance with the developed plan. The "Ivano-Frankivsk Heat and Energy Enterprise" and "Ivano-Frankivsk Vodoekotekhprom" do not include the investments into their tariffs. | Qualitative |
| 45 | Ivano-Frankivsk | There was an inventory of pumps that are subject to replacement. A business plan of the project "Equipment of the heat systems of budgetary institutions of Ivano-Frankivsk with automated temperature regulators" has been developed; it passed the selection stage of the Investment committee of the NEFKO corporation to receive a grant in the amount of EUR 350,000. | Qualitative |
| 46 | Ivano-Frankivsk | "Ivano-Frankivsk Heat and Energy Enterprise" replaced pumping equipment at six heat plans. "Ivano-Frankivsk Vodoekotekhprom" conducted reconstruction of two water pump stations in the amount of UAH 206,000. The investment is not included in the tariff for the provided services. | Qualitative |
| 47 | Ivano-Frankivsk | The result of successful realization of the project is diminishing number of unauthorized dumps from 18 to 7, and increase of the number of specially equipped outlets (44) for collection of solid wastes. Another 150 outlets are planned to be arranged as continuation of the Project. 452 garbage containers have been purchased. 176 containers are of the screen type. During September, containers were placed for separate and general collection. | Qualitative |
| 48 | Ivano-Frankivsk | The city purchased two vehicles for transportation of processed garbage. The price of the specialized vehicles is UAH 205,000. One vehicle was purchased to transport plastic bottles. ATP-0928 purchased equipment for pressing plastic bottles. In addition, to prepare the processed wastes for the next stage of processing and arrangement of a processing facility, a new project "Improvement of the system of separate collection, sorting and processing of solid wastes, arrangement of a sorting and processing facility" was developed as continuation of the Project of the European Union. The project has been already approved by the session of the oblast council of 22.08.07 and in 2007 UAH 350,000 was allocated for the project from the environment protection fund. Implementation of the project enabled to purchase equipment for processing plastic, glass etc. | Qualitative |
| 49 | Ivano-Frankivsk | During the 1st quarter 2008, 339 existing lamps were replaced with energy saving sodium lamps in the amount of UAH 385.1 ths. | Qualitative |
| 50 | Ivano-Frankivsk | A co-generation unit of 1.4 MW has been commissioned at Industrialna Street. Financing was allocated from the city budget | Qualitative |
| 51 | Ivano-Frankivsk | Collection of solid wastes in some parts of the city was assigned based on tenders. Currently, 5 companies collect solid wastes. | Qualitative |

| # | City | Activity | Type |
|----|-----------------|--|-------------|
| 52 | Ivano-Frankivsk | The city developed the Regulation on the order of engagement of alternative utility providers | Qualitative |
| 53 | Ivano-Frankivsk | Agreements have been executed with the State Institute of Urban Design "Mistoproekt" and the National University "Lviv Polytechnics" for development and introduction of the comprehensive system of street traffic and improvement of the passenger transportation (improvement of rout network of public transportation). | Qualitative |
| 54 | Ivano-Frankivsk | The city budget financed development and introduction of a comprehensive system of street traffic and improvement of passenger transportation (improvement of rout network of public transportation) (UAH58,900). | Qualitative |
| 55 | Ivano-Frankivsk | Based on results of comprehensive inspection of the passenger rout network in Ivano-Frankivsk, the rout network consisting of 52 routes has been developed. The optimal number of busses (250) was determined, as well as their types and classes (class – small ones, the type is "Bogdan", "Etalon" or similar ones). In order to reduce traffic in the downtown area of the city, the State Institute of Urban design "Mistoproekt" (Lviv) inspected the street network of the city and developed routs for transit transport. In April 2006, the city developed a program of acquisition of new trolleybuses. It was planned to purchase 4 new vehicles in 2 years. However, the program succeeded to be implemented in a year and a half. Trolleybuses manufactured in Lviv were purchased at UAH800,000 each last year and at near UAH 1 million in 2007. New trolleybuses meet all requirements; they have low clearance, which is especially important for people of age and handicapped and they are spacious and comfortable. | Qualitative |
| 56 | Drohobych | As of January 2008, the city Drohobych has completed inventory of land equal to 1,747.8885 hectares, that makes 38.89 % of the total area, including the inventory of land plots under industrial enterprises equal to 536.8790 hectares, under enterprises of transport and communication - 90.7430 hectares. It is planned to introduce the software of the SPFU «Legal entities - K» that enables to automate accounting of community property and to create a register of community property. | Qualitative |
| 57 | Mykolaiv | A computer software for accounting and use of communal property is being introduced; inventory cards of the real estate have been developed; a workgroup was created to conduct inventory of objects. All in all 11,906 inventory cards have been filled for the objects of real estate in the Central and Factory neighborhoods | Qualitative |
| 58 | Yuzhne | A database of the municipal real estate of the Yuzhne city community was developed. Vacant production premises are not available. | Qualitative |
| 59 | Yuzhne | In 2007, inventory of the municipal real estate of the Yuzhne community has been conducted. The results of the inventory have been discussed by the executive committee of the City Council on 13.03.2008 (decision #1054). The executive committee of the Yuzhne City Council and the Regional agency of economic development» entered into the Agreement #117 of 15.09.2006 on implementation of a complex of works on inventory of land plots and updating of cartographic, topographic and geodesic information of the land cadastre documentation in the city of Yuzhne, Odessa oblast. By now, the works have been completed and are being finalized. | Qualitative |
| 60 | Konotop | A representative of the department of economy was trained within the framework of the «FDI Program of the certificated training on foreign investment» | Qualitative |
| 61 | Konotop | A draft housing construction program is being developed | Qualitative |
| 62 | Konotop | Developed the list of land plots for housing construction, one land plot was allocated for construction | Qualitative |
| 63 | Konotop | Developed and submitted three pilot projects on affordable housing to the Ministry of regional development and construction | Qualitative |
| 64 | Konotop | The Single Permit Centre has been established | Qualitative |
| 65 | Konotop | An initial municipal management audit has been conducted, draft order has been developed on establishment of a workgroup on introduction of the certification system. | Qualitative |

| # | City | Activity | Type |
|----|---------|--|-------------|
| 66 | Konotop | Since December 2007, the department of culture and tourism introduced the position of a chief specialist on tourism development | Qualitative |
| 67 | Konotop | Co-ordination council on tourism development has been established | Qualitative |
| 68 | Konotop | The main tourism objects of the city and surrounding areas has been identified, including Museum-farmstead of the general M.I. Dragomanov; Museum of aviation; pedestrian tours of the city | Qualitative |
| 69 | Konotop | The information system for tourists has been developed: information boards are placed in the city, booklets and brochures, photo albums are published, a tourist map of the city has been developed | Qualitative |
| 70 | Konotop | The complete package of information about the necessary tourism service infrastructure is being developed, which will be published in media | Qualitative |
| 71 | Konotop | Learned experience of other cities in the field of tariff policy and energy-saving | Qualitative |
| 72 | Konotop | The schedule to improve the municipal heating system has been developed. On the first stage, data were collected and analyzed; the second stage includes development of the system. Reconstruction of the systems of the "Railway" neighborhood continues (it is planned to introduce 4 module boilers). Works are planned at the "Central" neighborhood to commission 6 independent boilers. The city negotiates with a project institute concerning the hydraulic system of water-supply and sewage. | Qualitative |
| 73 | Konotop | Developed the plan of modernization of the system of street lighting, determined the order of modernization of lines | Qualitative |
| 74 | Konotop | Work continues to make an inventory of the city streets; since the beginning of this year, inventory was conducted for 15 streets | Qualitative |
| 75 | Konotop | Developed the annual financial plan for street repairs. | Qualitative |
| 76 | Sumy | Decision of the Sumy City Council of 27.02.2008 #1303-mr "On the program of improvement of energy efficiency in the budgetary sphere and the housing and communal sphere in Sumy in 2008-2010" was approved. | Qualitative |
| 77 | Sumy | In 2008, funds are allocated from the city budget in the amount of UAH 20 million for repair, maintenance, and reconstruction of city roads | Qualitative |
| 78 | Sumy | Appraisal of lands of the city of Sumy has been developed by the SE "Sumy research institute of land survey" and approved by the City Council | Qualitative |
| 79 | Sumy | Since the beginning of this year, specialists of the employment service provided 6,066 services on professional orientation. | Qualitative |
| 80 | Romny | Inventory of houses, buildings and premises has been completed. Inventory of land continues | Qualitative |
| 81 | Romny | Research of the possibility to use recycled asphalt is offered by the road enterprise, and asphalt plants | Qualitative |
| 82 | Romny | Developed a draft decision of the City Council "On the city Program of domestic waste management in 2008 - 2011" | Qualitative |
| 83 | Romny | Developed a draft decision of the City Council "On the city Program of domestic waste management in 2008 - 2011" | Qualitative |
| 84 | Romny | Additional trash containers are approved by a decision of the city executive committee. Commissioning of newly constructed or remodeled shops, offices depends on the availability of trash containers. | Qualitative |
| 85 | Romny | Approved the decision of the executive committee of 11.03.2008 # 65 "On approval of measures of complex beautification of the city in 2008." | Qualitative |
| 86 | Romny | The city co-operates with the TASIC Project "Sustainable territorial development in Ukraine". The project together with specialists of GUMG and PE "Ellipse" developed suggestions for the design, feasibility study and measures of implementation. | Qualitative |

| # | City | Activity | Type |
|-----|--------|--|-------------|
| 87 | Romny | Close cooperation with the Employment Center is maintained to retrain labor for the industry. In 2008, 12 persons will be retrained | Qualitative |
| 88 | Romny | Approved the title list for reconstruction and major repairs of housing in 2008 | Qualitative |
| 89 | Romny | Replacement of mercury lamps with better energy efficiency lamps will be conducted stage-by-stage, starting in 2008 | Qualitative |
| 90 | Romny | The electricity metering systems for street lighting have been identified. Differential meters are installed | Qualitative |
| 91 | Romny | Feasibility study is conducted for reconstruction of street lighting of the downtown streets. The cost of works makes UAH 120,000. It is planned to be completed this year | Qualitative |
| 92 | Romny | The position of the energy manager introduced. Computer equipment provided | Qualitative |
| 93 | Romny | Developed documentation for construction of water pipeline in the neighborhood "Zasullia". | Qualitative |
| 94 | Romny | Cooperatives of citizens are established and together with the city budget finance construction of water and sewage pipelines. A cooperative has been established to construct water pipeline in the Kakhovka neighborhood worth of UAH 670,000. | Qualitative |
| 95 | Romny | The city began construction of the deferrization facility which will improve quality of water considerably. UAH190,000 have been spent for construction, with PKD of UAH1,350 | Qualitative |
| 96 | Izyum | As of 01.01.2008, inventory was made of the municipal property, and the register was made. | Qualitative |
| 97 | Izyum | Developed a new Regulation of the department of industries and economy. | Qualitative |
| 98 | Izyum | Approved the decision on the reorganization of the department of industries and economy. Decision of the Izyumcity Council #1434 of 27.11. 2007 «On approval of the structure of the Izyumcity council and its executive bodies» | Qualitative |
| 99 | Izyum | The USAID project «Local Economic Development» held 2 seminars for specialists of local government on development of an investment passport of a city. | Qualitative |
| 100 | Izyum | Developed the register of unemployed persons who are registered by the local employment center. It is constantly reviewed and updated. The register was made according to people's age, their education and professional classification. | Qualitative |
| 101 | Izyum | In 1st quarter 2008, 10 seminars were held on the best employment municipal support practices. | Qualitative |
| 102 | Izmail | Seminars are constantly held to learn experience of cities of the oblast and Ukraine as to encouragement of micro enterprises | Qualitative |
| 103 | Izyum | The city has replaced 0.5 km of water pipes. | Qualitative |
| 104 | Izyum | Completely reviewed and simplified the order of registration of technical documents for connecting users to water supply and installing meters. | Qualitative |
| 105 | Izyum | Works are conducted to re-cultivate, levee and ram the area of the landfill of domestic solid waste. | Qualitative |
| 106 | Izyum | Arranged grounds for containers for garbage collection. | Qualitative |
| 107 | Izyum | Work on heat insulation of consumers is conducted constantly and fulfilled by 74 %. | Qualitative |
| 108 | Izyum | Renewed street lighting, 2.1 km of electric wires installed Renewed 11 km of outdoor lighting. | Qualitative |
| 109 | Izyum | Renewed traffic-lights at five street crossings. | Qualitative |

| # | City | Activity | Type |
|-----|-------|--|-------------|
| 110 | Izyum | Purchased area metering devices - 40%. | Qualitative |

IR: Increased transparency of local government operations. (IR 4.1.2)

| # | City | Activity | Type |
|----|------------|---|-------------|
| 1 | Ternopil | The city designed a new official city web-site and started its testing. | Qualitative |
| 2 | Pervomaysk | The city official web-site is being continuously updated as long as they receive information from the city government departments and units (notices on auctions, local by-laws, monitoring, etc), and by news about most prominent events in the social life of the city. Almost 70 pieces of information were posted. | Qualitative |
| 3 | Pervomaysk | Students' parliament on February 05, 2008 and March 18, 2008 discussed the availability of innovation and research potential in Pervomaysk. | Qualitative |
| 4 | Pervomaysk | The city continuously places/updates information about local social and political events on the oblast state administration web-site. In the reporting period around 20 such news bits were posted. | Qualitative |
| 5 | Pervomaysk | Information and presentations on the city official site are updated as new information is delivered. | Qualitative |
| 6 | Pervomaysk | The city official web-site is updated on the permanent basis with the local by-laws approved by the city rada and its executive committee. | Qualitative |
| 7 | Pervomaysk | In February 2008, at a meeting, the SMEs reps of were briefed on the small business development in Pervomaysk in 2007. | Qualitative |
| 8 | Pervomaysk | On February 7, 2008 the city mayor had a meeting with the SMEs. | Qualitative |
| 9 | Rovenky | The city collected information about free sites, business start-ups, local by-laws, city profile, lease actions, etc . This information is posted on Rovenky city rada web-site in the sections: "SMEs", "Municipal property", "City passport" and "By-laws". | Qualitative |
| 10 | Rovenky | The economic and real property unit has compiled a business reference book in a digital form. | Qualitative |
| 11 | Rovenky | In Q 1 2008 according with the monitoring schedule, city prepared two reports on the monitoring of the by-laws efficiency (repeatedly). | Qualitative |
| 12 | Rovenky | Draft by-laws along with their evaluation are released in the city newspaper "Vpered Rovenky" or at http://rov.loga.gov.ua , local rada official site in the section "Regulatory policies" to ensure feed back from physical and legal persons and their associations. | Qualitative |
| 13 | Rovenky | The register of vacant municipal property is placed on the city web-site in the section "Communal property" | Qualitative |
| 14 | Rovenky | City companies and organizations forwarded their comments and the city web-site posted information about specialized international exhibitions to take place in the International Exhibition Center (Kyiv) and about a Forum entitled "State Purchases-2008"(Kyiv) | Qualitative |
| 15 | Rovenky | In February 2008 , a new newspaper section was opened to talk about the municipal housing and communal services issues. | Qualitative |
| 16 | Rovenky | Local newspaper in the section "People's Reporter" printed working schedules (reception hours) of officials dealing with home maintenance issues. | Qualitative |
| 17 | Chernivtsi | Local mass media and the city web-site regularly release materials on investment auctions, about scheduled activities, forums, meetings etc. particularly bits of information about how to obtain a credit rating and its importance for potential investors, about the role of investments in local economy, the achievements of local government, awards established for the leaders of economic development. This is done to imbed positive attitude in local community and all the stakeholders to the investment attraction process and gain their full support. | Qualitative |

| # | City | Activity | Type |
|----|--------------------|--|-------------|
| 18 | Chernivtsi | City has restructured its official web-site to include Investment Proposals Section where they release investment proposals of domestic and foreign companies and inserted a list of attractive municipal enterprises. City developed a unified investment proposal registration questionnaire and engages in interviewing industrial companies. City created a list of land plots in Chernivtsi suitable for the implementation of investment projects. | Qualitative |
| 19 | Chernivtsi | City designed an Investor Map to inform investors about permitting procedures which specifies key stages of investment activities, alternative ways to open businesses and a list of documents to process permit applications. | Qualitative |
| 20 | Chernivtsi | City provided free access to local by-laws guiding economic activity in the city. The by-laws are posted on the city official web-site. Information about local government operations is regularly updated. | Qualitative |
| 21 | Chernivtsi | The city Employment Center created a regularly updated data base of local companies and organization in need of labor force. According to the employment development program for 2008-2009 in Q1, 2008 p199 unemployed were engaged in training, retraining in all areas of economic activity. To encourage the set up of start-ups 6 unemployed residents received a lump-sum grant of UAH18 thou. 23 individuals were trained in SME management. According to the 2008-2009 employment development program, city provided jobs to 861 individuals from the most socially vulnerable walks of society in Q1, 2008. Small companies provide jobs to female workers which is a national policy priority. Majority of women according to statistical information are employed by hospitality, restaurant, health care and social protection sectors. | Qualitative |
| 22 | Kamyanets-Podilsky | City web-site was updated with new investment proposals. | Qualitative |
| 23 | Ivano-Frankivsk | Information about investment opportunities of the city of Ivano-Frankivsk is constantly highlighted on the website of the city at www.mvk.if.ua , and also on the German site www.westukraine.de . A directory «Business in Ivano-Frankivsk» in 2 languages, a compact disk «Ivano-Frankivsk guide-book» in 4 languages have been published. A bilingual edition «Ivano-Frankivsk - your reliable business partner» is planned to be developed and published. | Qualitative |
| 24 | Ivano-Frankivsk | The information database of tourism infrastructure of the city is permanently updated and is provided to Centers of tourism information. | Qualitative |
| 25 | Ivano-Frankivsk | In order to inform citizens about economic and social development of the city, new developments in the local government and the community, about existing problems and their solution, a monthly attachment to the newspaper "Zakhidny Kurier" "Dilovy kurier", and also a weekly bulletin "Clean city" are published. | Qualitative |
| 26 | Yuzhne | An electronic register of local regulations is placed on the website of the city. Permanently updated. | Qualitative |
| 27 | Yuzhne | Collection, processing of information and publications on the web-portal are carried out by the department of economy of the Yuzhne City Council; maintenance is provided by the PE Kabanov T.I. Information about the site is published in each issue of the newspaper "Novyny Yuzhnogo". Information support by the city TV Channel "MiG" and the newspaper "Novyny Yuzhnogo". | Qualitative |
| 28 | Yuzhne | "Investment portrait" developed with assistance of the "Region.ua" LLC. | Qualitative |
| 29 | Konotop | The list of vacant land plots, buildings and structures was developed for investment activity. Information was published in the city paper "Konotopsky Kray" and on the official website of the City Council | Qualitative |
| 30 | Konotop | Available investment projects are published on the official site of the City Council in the section "Economy" that covers investment activity | Qualitative |
| 31 | Konotop | The city budget for 2008 was developed based on the program approach | Qualitative |
| 32 | Romny | Developed information on the available land plot at 99A, Sumska Street for publication on the website of the LED project. The information is published on the investment website of the city. | Qualitative |

| # | City | Activity | Type |
|----|-------|---|-------------|
| 33 | Romny | For information support of activity of the Romny City Council and its executive committee, the decision of the executive committee was approved on 25.04.2007 #124 . In order to improve the information support, changes were introduced to the decision of the executive committee in February 2008, persons responsible for preparation of information and analytical materials were appointed. The order of publication of information on the web site of the executive committee was approved. | Qualitative |
| 34 | Romny | The register of regulatory acts has been created. The register and the plan of preparation of regulatory acts for 2008 is published on the web site of the Romny City Council | Qualitative |
| 35 | Izyum | As of 01.01.2008, the list of municipal property has been approved and can be offered to investors, - decision of the Izyumcity council #1605 of 18.12.2007 | Qualitative |

IR: Increased financial independence of local governments. (IR 4.1.3)

| # | City | Activity | Type |
|---|--------------------|--|-------------|
| 1 | Kamyanets-Podilsky | City announced a bid for the cancellation of the loan principal amount and annual interest; application starts on June 2, 2008. The bid is scheduled for June 9, 2008. | Qualitative |
| 2 | Ivano-Frankivsk | An agreement was signed on December 4 2007 between the city of Ivano-Frankivsk and "Economic development of cities" Project on financial support for introduction of the ongoing system of marketing of investment opportunity of the city in the amount of UAH 75,000. In February 2008, computer equipment and software was received worth of UAH 30,000. The second stage of implementation of this project will be completion of the inventory of lands of the Khriplin production zone. | Qualitative |

ANNEX C

ARTICLES WRITTEN FOR THE LED WEBSITE

Local Investor to Restore a Landmark in Chernivtsi

[jan 25 , 2008]

The building of the former Ukraina movie theater, one of the Bukovina capital's central street's landmarks, will be restored by a local enterprise, which will afterwards take it on long-term lease.



Before WWII, the building was an Austrian-German culture center



The former Ukraina movie theater has been idle for a decade

The Renaissance company undertakes to invest a total of UAH 35 million (\$6.93 million) to rehab the building's façade by October 2008, when the city will celebrate its 600th anniversary, and commission the entire facility in the fall of 2009, the [Chernivtsi Investment Office](#) and the company told the LED Monitor on Wednesday.

The restoration will accommodate a state-of-the-art movie, a restaurant, a modern conference hall, a small VIP hotel, and a few offices. It is planned that rooms on the fourth floor will be let at a special reduced rent to NGO's engaging in liaisons with EU countries.

The project is also expected to create at least 20 new jobs and generate annually UAH 100,000 or more for the city budget, according to Investment Office Head Maria Porchuk.

She reported that the Renaissance company's investment proposal won in a competition organized by the city government. "It was one of the first initiatives of the Investment Office. The building is very beautiful, but it has been just dilapidating," she said. The goal was to save the building and its architectural style, improve the appearance of the central, pedestrian, Olhy Kobylyanskoi street, and preserve the entertainment center for the city.

Presently, Renaissance negotiates an investment agreement with the City Hall and simultaneously works on the project development.

The company's director, Alla Lytvynenko, said they plan to begin restoring the building in the spring.

Upon completion of the project, the investor is expected to enter into a new agreement with the city government to lease the building for 49 years. According to the Investment Office head, the city will refund ten percent of the investment's worth to the company, either in a lump sum or during a certain period as a setoff against rent.

Ms. Porchuk recited that the Investment Office initiated the contest for restoration and lease of the historical building in May 2007. The City Rada (Council) Executive Committee backed the initiative. The office developed a bidding regulation and publicized a Request for Proposal. A bidding commission was formed of eleven representatives from City Rada members and executives. Two of about ten business entities that showed interest registered their investment proposals. The bidding commission announced the winner on Dec. 26, 2007, after open review of the proposals.

The Investment Office was established on Dec. 29, 2006, as an independent unit within the Chernivtsi City Rada subordinated directly to the mayor and the first deputy mayor. The same month, the office head, Maria Porchuk, was [graduated](#) from the LED project-run [Training Program for Foreign Direct Investment \(FDI\) Professionals](#).

Renaissance is a limited company established in 1992. The enterprise engages in construction, trade, and travel agency activities.

Chernivtsi is one of the LED project's partner cities. In 2006, an Expert Committee with assistance from the project drafted a [Strategy for Improving Competitiveness of the City of Chernivtsi](#), which was passed by the City Rada in October 2006. The strategy lays special emphasis on tourism, and also focuses on investment attraction and business infrastructure.

FROM “CZECHIA” WITH EXPERIENCE

[feb 06 , 2008]

A group of Ukrainian FDI trainees visited the Czech Republic to see how the learned theory works in practice

Last week, a group of trainees of the USAID LED project-run [program for foreign direct investment \(FDI\) professionals](#) returned from a study tour of the Czech Republic where they had familiarized themselves with the practice of FDI attraction in this Central European country.



The study tour participants at a meeting in the Kopřivnice City Hall.

Photo: Oleksandr Dudka



CTP Invest's new project in progress on a huge site near Brno.

Photo: Oleksandr Dudka

Evaluating the overall quality of the study tour upon its completion, the participants – over 20 in total – gave it on the average as high a score as 4.81 on a five-point scale.

"The trip was super useful," Oleksandr Dudka, director of the [Rogan Industrial Park](#), a communal enterprise in Kharkiv, told the LED Monitor on Monday. He said it was training in marketing of a level Ukraine will need some five years to reach.

The Ukrainians arrived in Prague on January 23, and left on January 30, visiting six other cities in between: Kopřivnice, Olomouc, Brno, Louny, Žatec, and Plzeň. In each of these cities they were shown industrial sites, except for Olomouc where they paid a call on the Palacky University Science and Technology park. Typically, there were also meetings with mayors and visits to renowned companies that located their production facilities on these sites, such as Bang & Olufsen, Timken, and Hitachi. The tour wound up in a meeting with a representative from [CzechInvest](#), the investment and business development agency of the Czech Republic.

Says Dušan Kulka, FDI Manager with the LED project:

"It was fourth such FDI group that went on the study tour of the Czech Republic, and each tour was a bit different. You see, the city mayors and company managers do us a favor receiving these groups, and we cannot go the same route over and over again. But we want to show our trainees that what we teach them really works. Luckily, the Czech

Republic has been so successful in attracting FDI that still there are more industrial parks in store for next groups to visit."

"The participants had an opportunity to talk with both sides of the FDI market: cities and private real estate developers, who told the guests how they prepare and offer their products to attract new investors, and companies, which shared the reasons why they had decided to locate on some or other site," Mr. Kulka said.

Filling out the tour's feedback evaluation forms, the participants reiterated the word "experience" as one of most valuable things acquired during the trip. As Mr. Dudka put it in the interview with the LED Monitor, "I saw a lot of what I guessed existed but didn't know for sure. For example, the private developer [\[CTP Invest\]](#) that has built 16 industrial parks – to me it's fantastic!"

The study tour is part of the Training Program for FDI Professional, which also includes four workshops. Trainees who successfully pass final exams receive a Certificate of Accreditation issued by the USAID LED project and the [Ukrainian Center for Foreign Investment Promotion \(InvestUkraine\)](#).

The LED project launched the program in March 2006. It was the first step made in Ukraine toward training of FDI professionals for local governments and public administration agencies. The program was developed, and is delivered, by Ukrainian, Czech, Scottish, and US LED experts.

The program has been issuing a joint certificate with InvestUkraine since its second cycle, proving the professional level of graduates to the center's standards and fostering partnership between the LED project and InvestUkraine.

Sevastopol to Design Investment Attraction Strategy

[feb 11 , 2008]

The signing of a Letter of Intent between the USAID LED project and Sevastopol on Thursday launched a several-month effort in the city to develop an investment attraction strategy.

The signatories to the Letter of Intent include Earl Gast, Director of the USAID Regional Mission to Ukraine, Moldova, and Belarus, Valeriy Saratov, City Rada Chairman, and Ihor Loktionov, Deputy Sevastopol Governor.

The document testifies to the parties' commitment to collaborate on the development and implementation of the strategy.

After the signing ceremony, the Expert Committee (EC) – a task force formed by order of Governor to draft the strategy – gathered for an introductory meeting. Community leaders, asked to serve on the committee, include managers of local enterprises, members of the City Rada, officers of executive bodies, scientific and educational workers, and representatives from NGO's. The meeting was intended to familiarize EC members with the scope and timing of strategic planning work that will last for next few months, and to reinforce their intention to devote part of their time to voluntary work for the good of the community.

An unusually numerous group of officials on the part of USAID and the LED project attended the event held in the Sevastopol City Hall. Besides Mr. Gast, the USAID Mission was also represented by its Office of Economic Growth Director Sarah Wines, and the LED project, by its Chief of Party Howard Ockman, FDI Advisor Petro Koshukov, LED Advisor Anatoliy Solovyov, and independent consultant Volodymyr Proskurnin, as well as three top officials from US-based USAID contractor Chemonics International, which implements the project: CEO/President Richard Dreiman, Senior Vice-President James Butcher, and Director for Europe and Eurasia Angus Olson.

By now, a total of 44 Ukrainian cities have developed their economic strategies with assistance from the LED project, and in 18 cities, including Sevastopol, this work is in progress. Forty-three of the developed strategic plans have been adopted by local Radas.

LED Project Delivers Equipment to Ivano-Frankivsk

[feb 13 , 2008]

Yesterday the USAID LED project transferred nearly UAH 30,000 (\$6,000) worth of equipment to the Ivano-Frankivsk City Rada (Council) Executive Committee.

It is expected that the up-to-date equipment will increase the operation efficiency of the Economic Analysis and Strategic Planning Office within the Economic and Integration Development Department and thus contribute to further implementation of the [Ivano-Frankivsk Economic Development Strategic Plan](#), in particular creation of a marketing system for investment opportunities in the city.

The equipment includes four desktop computers complete with TFT monitors, UPS units and licensed software, three laser printers, a scanner, a fax machine, a glass-door file storage cabinet, and three USB flash drives. It was delivered as part of up to UAH 75,000 (\$15,000) assistance award from the LED project's Innovation Fund granted under an agreement signed between the LED project and the Ivano-Frankivsk City Rada in December 2007 following an application from the City Hall.



Viktor Anushkevichus, Ivano-Frankivsk Mayor: "To develop successfully, any organization needs a strategic plan, the more so a municipality"

Speaking at the equipment transfer ceremony, held in the City Hall in presence of local media people, Ivano-Frankivsk Mayor Viktor Anushkevichus thanked USAID for "nearly 16 years of its productive work in Ukraine" and for its support of the city in a number of projects. He also thanked the LED project for "not only consulting but also financial support."

The Mayor said that, to develop successfully, any organization needs a strategic plan, the more so a municipality, which embraces various industries. He emphasized that Ivano-Frankivsk's strategy has been reviewed and adjusted to "changes in life" that have happened since the plan was adopted in December 2005.

Oksana Fedorovych, independent consultant with the LED project and member of the Strategic Plan Implementation Management Committee, reported that "now the plan is fulfilled at some 75 percent," the main result being a favorable business environment created in Ivano-Frankivsk.

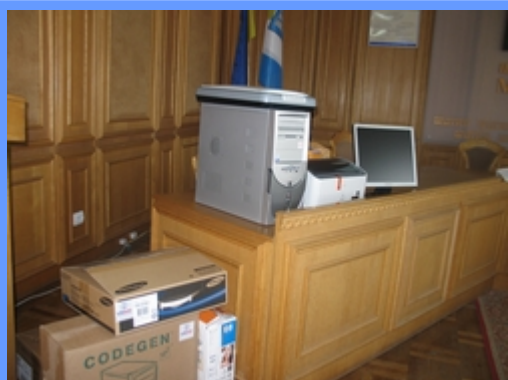
Her statement is based on statistics. According to the City Rada Executive Committee, foreign direct investments in the city have been sky-rocketing: \$3.94 million in 2005, \$11.76 million in 2006, and \$51.1 million in 2007.

Mr. Anushkevichus mentioned successes in attraction of Ukrainian investors as well. He said both investment components – foreign and internal – resulted in more than 40 percent increase in the city's industrial output in 2007 vs. 2006. Accordingly, payrolls and local budget revenue are also up. This is largely due to the Strategic Plan, he added.

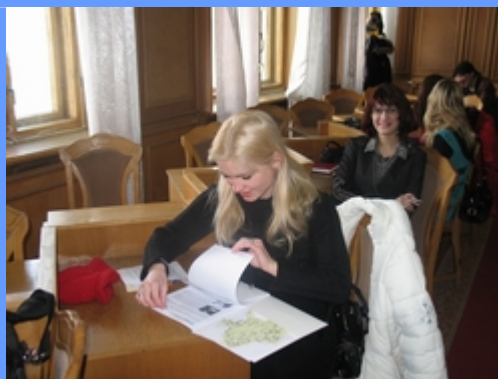
Ivano-Frankivsk was among the first group of Ukrainian cities where the LED project helped design economic development strategies. In Ivano-Frankivsk, the strategy focuses on development of businesses, human resources, and communal infrastructure.



Oksana Fedorovych, independent consultant: "The main result of the Strategic Plan implementation is the favorable business environment in Ivano-Frankivsk"



Part of the equipment was presented to journalists





Media people are getting ready for the equipment transfer ceremony



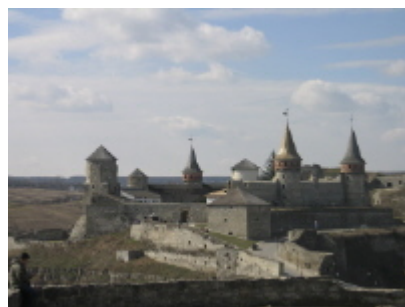
The signing of equipment transfer deed. Sitting on the left of the Mayor is Oleh Pluhatarenko, Programs Implementation Manager with the LED project



A remembrance photo: Oleh Pluhatarenko, Oksana Fedorovych and Viktor Anushkevichus

Kamyanets to Open Tourism Season 2008

[mar 05 , 2008]



[Kamyanets-Podilsky](#), Khmelnytskyi Oblast, is preparing a whole range of activities that will mark the opening of new tourist season in this Flower on the Rock in early April, the Kamyanets-Podilsky City Rada International Relations and Tourism Department told the LED Monitor on Wednesday.

The celebration will feature two international events: a seminar, "From a Country's National Brand to a Community's Tourist Brand" (on April 3), and a conference, "The Festival Movement in European Countries: Practices, Experiences, and Prospects" (on April 4). The Tentative Program of the season opening, provided by the department deputy head, Oksana Ladorenko, also includes a competition of tourism-related innovation projects, a tour of the city to see its tourism infrastructure and new tourism facilities, a business lunch, various presentations, social and other activities.

Ms. Ladorenko says the active response from abroad to the conference on festivals was a pleasant surprise. "I'm not even sure that there will be enough time for all those wishing to make oral contributions. We didn't expect such a boom. But we intend to publish a book of conference proceedings, which will include all contributions," the officer said.

She explained that they sent invitations to attend the season-opening celebration to contacts on their mailing list, and it was a special pleasure to receive applications from abroad also from those who were not on this list. By now, delegations including speakers have already registered from Italy, Poland, and Spain, and without speakers, from Lithuania, the Netherlands, and Sweden.

Somewhat disappointing is the feeble interest in the events on the part of Ukrainian municipalities. "This is another surprise, but unpleasant, because it's a good opportunity to promote their cities," said Ms. Ladorenko. She added, however, that there still is time, and those interested can contact her by email (ladoks@gmail.com), phone (+380 3849 507 31) and/or fax (+380 3849 506 00).

As for the branding seminar, the city failed to find a Ukrainian company or organization specializing in municipal branding. "So far, only the [Polish Tourism Development Agency](#) responded to our call. But again, we still have time, and the invitation remains open," Ms. Ladorenko pointed out.

Two events – the competition of tourism-related innovation projects and the business lunch – have the purpose of bringing together the sides of supply and demand.

At the competition, young authors of innovative ideas will try to sell these to business people operating in the tourism industry; and at the business lunch, local entrepreneurs looking for partners or investors will have a tête-à-tête meeting with people looking for an opportunity to invest in Kamyanets. "The idea of business lunch occurred to us because we had been approached by several people from each of the sides. So now we already have several such couples," Ms. Ladorenko related.

Last year, the tourist season opening in Kamyanets was in March, featuring [the international conference on "Castles and Fortresses as Tourist Facilities: Practices, Experiences, and Prospects"](#)

Tourism development is part of [Kamyanets-Podilsky's economic development strategy](#), which was worked out in February 2006 with assistance from the USAID LED project. Two other so-called critical issues in the Strategic Plan – small and medium enterprise development and investment attraction – are closely connected to the former in the city that is one of Ukraine's major tourist destinations.

Long-Awaited News from Ternopil: Strategic Plan Adopted

[mar 14 , 2008]



Photo from LED files: the first meeting of the Strategic Planning Committee in Ternopil on Nov. 18, 2005

Yesterday, the [Ternopil](#) City Rada passed the city's economic development strategy – two years after it was designed and then approved by the Rada's Executive Committee.

Svitlana Ostapyshyn, head of the Ternopil Economic Development Department, told the LED Monitor that before putting the draft Strategic Plan to the vote it was distributed among Rada members and discussed by the Rada's standing committees. This discussion resulted in a suggestion that one more so-called critical issue be inserted into the plan.

"We added the fourth critical issue, Development of Environment Protection Infrastructure, and Improvement of Ecological Situation," Ms. Ostapyshyn reported. The action plan under this critical issue provides for two goals: construct a solid waste treatment complex and extend the city's green zone.

The adopted Strategic Plan, nevertheless, needs further elaboration. "We still have to work out objectives, that is, specific projects that Ternopil will have to implement to achieve these new goals," Ms. Ostapyshyn pointed out.

There were also other amendments to the original plan version. On February 11, 2008, the city convened again a meeting of its Strategic Planning Committee to review and adjust the strategy. According to LED Advisor Ihor Parasyuk, who attended the meeting, the changes were minor. "We struck off one objective – introduction of performance program budgeting for local budget expenditures – because this project had been completed," he said.

Even though the City Rada failed to adopt the strategy formally two years ago, Ternopil has been quite actively implementing the plan's projects. Some of these address the Rada's official web site as a tool. Last fall, a decision was taken to upgrade the site – in fact develop a new one.

City Rada Press Service Head Oleh Udych reported that they have already developed a site structure, purchased a server, and registered a new domain name. "Next Monday I hope to see the test version of the new site, unpopulated as yet," he said. He also assured that the new site will fully comply with the requirements of the Strategic Plan.



Ukrainian LED Advisor Ihor Parasyuk is one who guided the strategic planning process in Ternopil on behalf of the LED project. He took the news of the Strategic Plan adoption with a special pleasure

The Ternopil Economic Development Strategic Plan was drafted in February 2006 by the Strategic Planning Committee with assistance from the USAID LED project. The original draft plan focused on three critical issues: SME and Tourism Development, Creating Conditions for Investment Attraction, and Business and Communal Infrastructure development.

The time the draft plan was introduced into the City Rada in 2006 happened to fall on the hot time of the electoral campaign, and so it was only approved by the Rada's Executive Committee.

TWO MORE CITIES OK STRATEGIC PLANS

[mar 20 , 2008]

Trostryanets: Investment-Minded Chocolate Capital **Shepetivka: Success after Eight Years of Bad Luck**

Today, the City Radas in [Trostryanets](#), Sumy Oblast, and [Shepetivka](#), Khmelnytsky Oblast, unanimously approved their respective [Economic Development Strategic Plans](#).

Presenting the draft plan at the **Trostryanets** City Rada meeting, Mayor Yuriy Bova also spoke about prospects for creating an industrial zone in the city for investment attraction, Rada Secretary Alina Shatska told the LED Monitor.

Investment Attraction is one of three action plans within the strategy of Trostryanets, the other two being SME Development and Communal Infrastructure Development. In the Strategic Vision, which is also a component of the plan, Trostryanets is called the "chocolate capital of Ukraine" and a "city with foreign investment experience" – both an apparent reference to renowned [Kraft Foods Ukraine](#), which has its chocolate factory in Trostryanets.

In **Shepetivka**, the strategy focuses on critical issues that are nearly identical with those in Trostryanets in terms of their titles: Support of SME, Communal Infrastructure, and Investment Attraction.

The plan was presented by Deputy City Mayor Vasyl Kulachuk and went over well, according to Vasyl Kashevsky, independent consultant who helped Shepetivka in the strategic planning process. He said such a favorable reception came as no surprise since over last eight years the city several times attempted to design a strategy, failing every time.

The Economic Development Strategic Plans in both cities were drafted by respective Expert Committees of community leaders with assistance from the USAID LED project. The cities have become Ukraine's 47th and 48th to adopt an economic development strategy under the project. In 15 more cities the strategic planning process is in progress or draft strategic plans are pending consideration by City Radas.

FROM THE AMERICAN PROFESSORS

[mar 23 , 2008]

US professors presented LED tools to conference participants in Kyiv

It looked like the five professors from US universities who came to Kyiv in early March to present six very practical LED tools somehow personified the USAID motto, "From the American People."



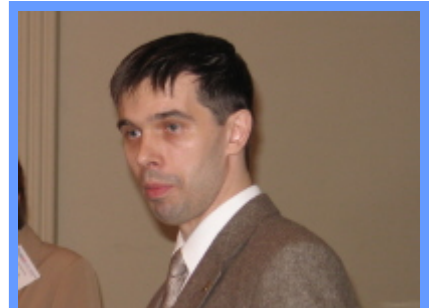
Howard Ockman, USAID LED Project Chief of Party: "A year and a half ago, Denys [Nizalov] and I started talking about this, and I asked him, could he help us grow the [LED project's] toolkit? And in no time at all there was a call going out to many of the local economic development professionals in the United States and Canada, asking, do they have any ideas about growing this toolkit? And we did receive many proposals for tools, and we were able to pick the best of those proposals, and today we're able to welcome the authors of the best of the best of the tools"

The International Conference on Local Economic Development Toolkit, organized by the [USAID LED project](#), the [Kyiv Economic Institute](#), and the [Michigan State University](#) on March 3-4, 2008, gathered more than 50 participants from nearly 40 Ukrainian cities, including local government officers, people from NGO's, and scholars.

LED Project Chief of Party **Howard Ockman** opened the event, saying that local economic development is a very creative and imaginative process that has many aspects to it. "And those of us who practice local economic development are constantly learning that we don't know everything, that there are new ideas that we need to explore, new tools we could use profitably for ourselves," he pointed out.

Denys Nizalov, the conference facilitator, who is assistant professor at the [Kyiv School of Economics](#) and senior economist at the [Kyiv Economic Institute](#), then took the floor. He recited the toolkit development history, outlined the conference structure and presented speakers.

He said the conference is a result of the year-and-a-half collaboration with Howard and the "huge collective of authors throughout the world." Mr. Nizalov also promised that the full toolkit collection will be [published online](#) in four languages: Ukrainian, English, Spanish, and



Denys Nizalov, Associate Professor, Kyiv School of Economics / Kyiv Economic Institute: "It was very good luck that I and Howard [Ockman] met last summer and talked about those problems that are facing Ukrainian cities and those tools that are used and can be used in our cities, so that to help our cities develop more effectively and at a greater pace"

Russian.

The first two presentations dealt with tourism-based local economic development.



Rhonda Phillips, Professor, School of Community Resources and Development, Arizona State University

Raymond A. Rosenfeld from the Eastern Michigan University said the first economic development conference he attended in Ukraine was in the fall of 1995. "I'm pleased to see that while a major issue here is still the knowledge and skills, the level of discussion is substantially higher than it was a decade ago," he observed. He also called Ukraine a "country with extremely rich [cultural and heritage tourism potential](#)" – the topic of the tool he presented.



Mr. Rosenfeld explained that this type of tourism focuses on what a community can offer visitors in terms of its history, art, science, lifestyle, and/or heritage. He described Ukraine's would-be tourists, their needs, and resulting challenges to Ukrainian communities: "ensure high standards, safeguard your local identity, and maintain the authenticity of what you are trying to attract the tourists to."



Andrew Lewis from the University of Wisconsin presented a tool called [First Impression](#), which is used for community assessment and improvement. The idea is that volunteers from two somewhat similar communities agree to do unannounced exchange visits and then report on their findings, typically at a host community meeting.

Mr. Lewis told a story from his own experience: a small community missed a chance to attract an investment from a major manufacturer, just because its members made a bad impression on the investor. "Everybody needs to understand that everybody in community is part of its marketing department," said Mr. Lewis.

[Survey](#) – a tool that he said is extensively used in Ohio. The idea behind the tool is to engage an ongoing dialogue in a community among local businesses, residents, and government in order to make the businesses profitable, so they can hire residents.

Like the previous speaker, Mr. Davis emphasized the important role of every community member. "Whose job is economic development in your community?" he asked the audience, mostly municipal officers. "It's more than just your job. It's the job of the entire community."

Gregory A. Davis from the Ohio State University reported on how to conduct a [Formal Business Retention & Expansion](#)



Gregory A. Davis, Professor,
Department of Agricultural,
Environmental, and Development
Economics, Ohio State University

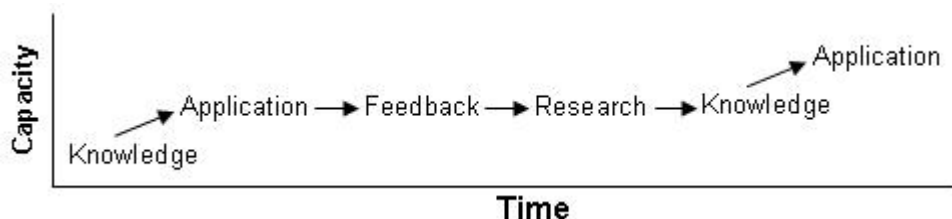


The next day began with a tool presented by **Scott Loveridge** from the Michigan State University: [Strategies for Economic Development Partnerships with Institutions of Higher Learning](#). The speaker explained the concept of the Cooperative Extension Service system in the United States, "which has its roots in 1862."

The system, comprising units of certain universities in each state, is designed to transfer research-based knowledge to ordinary people and communities in order to better the lives of the people and facilitate development of the communities.

Citing areas on which extension focuses, Mr. Loveridge said one of them is just the "things that we are focusing on here today, which is, how to improve communities."

He illustrated by chart what he called a "very nice positive cycle" of engaging higher educational institutions, each cycle stepping up the community's capacity:



Andrew Lewis made one more presentation – on [Community Economic Development Preparedness Index \(CEDPI\)](#). Unlike the tool he had presented the day before (First Impression), which a community can use to find out subjective opinions of visitors, CEDPI allows to get at some of the opinions of the community's residents. "By combining those subjective opinions of visitors and the opinions of residents, we can begin to formulate informed economic development strategies," said Mr. Lewis.

According to the speaker, the principle Be Prepared must be guiding not only for Boy Scouts but also communities. "We have communities that think that successful communities are just lucky. But from my experience, prepared communities get lucky more often," he observed.

No way did the conference resemble a set of lectures delivered by foreign gurus. The event included four case studies based on the Ukrainian cities of [Chernivtsi](#), [Lozova](#), [Poltava](#), and [Chernihiv](#). Each of the presentations and case studies was discussed by participants, who made comments, gave recommendations, and generated ideas. In addition, there were three presentations made by Ukrainian scientists, focusing on brownfields and depressed regions.

Closing the event Mr. Ockman reminded the audience of the conference's purpose, which the participants – workers of municipal offices of economic development – "could take home as the message":

"All of the tools we heard about today are tools that should be used by you in the course of your work in your departments. We've always said about strategic planning that it never stops. You always have to make adjustments. You always have to be inventive and create new ways to raise the level of economic development in cities."

On the closure, participants were asked to fill out conference evaluation forms to rate various aspects of the event – a total of 18 positions – on a five-point scale. Twenty-seven questionnaires were returned, showing a high average score of 4.6 for the event as a whole with the highest score, 4.81, given to the speakers for their "professional level / competence."

NOTE: All of the above .pdf files of tools were downloaded from <http://municipaltoolkit.org/en/content/>

Extracts from interview with Raymond A. Rosenfeld:



Have you noticed any significant changes since your last trip to Ukraine in 2003?

The traffic in Kyiv is dramatically worse.

Is that all?

The whole level of development, every level of economic development in Kyiv is dramatically more advanced than it was five years ago.

Imagine that you were appointed let's call it the "top manager of Ukraine." What would be your first steps to improve the local economic development in Ukraine?

Easy, easy. I would decentralize responsibilities and resources.

The local governments do not have enough locally-generated revenue. The incentives for the kind of economic development that takes place in the rest of Europe are not here. Because the state is too powerful, and the local governments do not have enough power. They don't have enough revenue, resources, they don't have enough constitutional responsibilities, they are too subservient to the state.

The beauty of decentralization is to unleash creative resources.

Extracts from interview with Andrew Lewis and Gregory A. Davis:

What did you know about Ukraine at the moment you were invited to attend the conference?

(Davis) Nothing.

(Lewis) My knowledge was limited other than what I read in the news.

After you received the invitation, did you try to find out anything, and how?

(Davis) Yes. I did Internet searching.

(Lewis) Same thing.

What you have seen here now – is that what you expected to see after your Internet search?

(Lewis) It was a pleasant surprise. And probably it does come as a surprise to you that there is very little knowledge about Ukraine in the States. And some of the knowledge isn't good: you know, we think of Chornobyl.

Ukraine really is exotic in that it doesn't feel like the rest of the Western world. I like experiencing unique cultures, to be able to hear their music, eat local foods, interact with local people.

Extracts from interview with Rhonda Phillips:



Have you seen here what you expected to see?

A good question. I think some of the information I received on the Internet was a bit daunting. And when I'm actually here it's much better than what I anticipated.

I think I focused on the negatives instead of the positives in terms of some information I have seen on the Internet. And actually being here, I've seen much positive.

When back to the States, are you going to tell your friends, "Look, I was in Ukraine. You should go there – it's cool"?

Absolutely! I think it's very exciting environment here. I'd like to bring my family back.

I love experiencing different cultures. And I think it's so important to a country to have its uniqueness available for experience, for visitors, instead of trying to conform to expectations that would go across many other countries.

Extracts from interview with Scott Loveridge:



You came here to teach. The question is, what have you learned?

A lot. First of all, that you have a lot of wonderful assets here in Ukraine, and lots of interesting community people working on some of these [LED] issues. I think, too, it's really reinforced the importance of distribution of control between the national government and local governments. Because a lot of the issues that I'm hearing about have to do with inability of local governments to do things because decisions are taken at a different level.

What is your opinion of the ideas voiced here during discussions?

I think there is a lot going on. I think there is a lot of opportunity here to foster the development of Ukraine, and a lot of people doing right things.

